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NEWS SUMMARY

GENERAL

Four die in Ulster riots

At least four people were killed during the weekend in Ulster, more than 22 injured, and more than 24 arrested, as riots marked the ninth aniversary of internment without trial.

Armed Provisional IRA men addressed crowds in Andersonstown, Belfast, after a march through the streets.

About 150 youth stoned police and soldiers, who responded with a volley of plastic bullets. Page 5

Inflation 'down'

Sir Geoffrey Howe, the Chancellor, says the Government was right when a "very substantial drop" in inflation was forecast. Figures are due next Friday. Whitehall estimates suggest the current annual rate is down from 21 per cent to 17 per cent or below. Back Page

Begin backed

Israel Premier Menahem Begin offered to resign and try to form a new Government after attacks by Agriculture Minister Ariel Sharon, who thought he should be Defence Minister. But the Cabinet said "No," and forced Sharon to apologise. Page 2

Mao blamed

Chinese Communist Part chief Hua Guofeng, interviewed by a Yugoslav newspaper, critised his predecessor Mao Tsetung for "grievous" mistakes—but said that some radicals took advantage of Mao's illness to hide the truth from him.

BBC plans upset

BBC autumn TV plans are being upset by the three-week-old strike of Hollywood actors, now backed by a musicians' stoppage. Production of the new Dallas series, a star item in its schedule, is well behind. Back Page

Toddler found

Elizabeth Peck, a two-year-old twin, from Brixton—lost in a Sussex forest on Friday when playing hide-and-seek, was found well yesterday, 2½ miles away, by a 16-year-old boy, one of 700 searchers.

Buying her job

Out-of-work teacher Veronica Griffiths has bought the 128-year-old one-classroom Michaelstow School in Cornwall for £14,000. It was shut last year when only 14 pupils were left. She plans to modernise and reopen it.

Allen hits Texas

Hurricane Allen, which has carved its way across the Carribean, has hit Texas at 110 mph, and is heading north-west. It caused a 9ft tidal wave. A Liberian supertanker carrying 11.9m gallons of crude was grounded on lonely Mustang Island, but no leaks were reported.

Bacon 'too dear'

Bacon is too dear, says Labour's consumer affairs spokesman John Fraser, who alleges there is profiteering. Housewives are paying 20 per cent more for Danish than two years ago, he says, whereas retailers are paying only 13 per cent more.

Briefly...

More than 40 "birdmen" failed to earn £3,000 by flying 50 metres from Bognor pier in their flying machines.

Jacques Laffitte (France, Ligier) won the German motor-racing grand prix at Hockenheim.

BUSINESS

Grants to industry 'helped cut jobs'

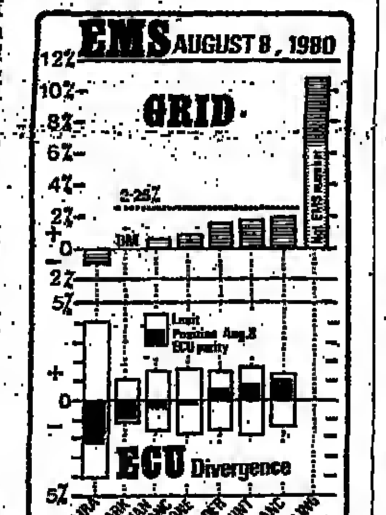
● REGIONAL development grants have effectively contributed to huge job losses among chemical workers in Cleveland, says a report by researchers from the Centre for Environmental Studies. It says the grants have subsidised manufacturers' efforts to become more capital-intensive and trim labour forces, but have also discouraged companies from investing abroad instead. Back Page

● BRITISH manufacturers want a return to selective import controls and compulsory wage restraint, according to a report by the London Chamber of Commerce and Industry. Page 4

● RECORD interest rates and increased competition from banks have severely affected building societies' share of the mortgage and personal savings markets, says the annual report of the Building Societies Association. Page 5

● ENTERPRISE zones have been attacked by the Labour Party National Executive Committee as political gimmicks which will become the industrial slums of the 1980s. Page 5

● MACHINE managers at The Observer, which is threatened with closure over their pay dispute, will today meet their union general secretary to hear the management's response to a reformulated pay claim. Page 5



The charts show the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lire) may move more than 2¼ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

● THE WEAKNESS of the D-mark was the most notable feature of an otherwise little changed European Monetary System last week. Easier German interest rates, and continuing speculation about a cut in the Bundesbank's discount rate, pushed the D-mark down against its EMS partners and sterling, with the German currency falling to the lowest level for nearly four years against the pound.

A decline in Paris interest rates did not move the French franc from the top of the system, where it was again followed by the Irish punt and Dutch guilder. Despite the D-mark's weakness, it remained above the lowest placed Italian lira.

COMPANIES

● HIGHVELD STEEL, South Africa's biggest private steel and vanadium producer, reported a 61 per cent rise in pre-tax profit to R43.9m (£24.4m) for the year to June 30. Page 16

● BAHRAIN Aluminium made a record profit of $28.93m (£12.21m), a jump of 74 per cent, in the first six months of this year. Page 13

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BL cuts car prices by £100-£500 in bid to recapture sales

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS will reduce the price of most models today by between £100 and £500 in an effort to put some new life into its lagging share of the market.

The company's initiative is likely to trigger off another round of price-cutting as car-assemblers scramble for sales in a declining home market.

Prices of the Mini and the Allegro will drop by up to £300; of the Dolomite and Princess by up to £500; and of the Rover 2300 and 2600 by £300.

Mr. Trevor Taylor, managing director of UK sales operations, spoke last night of the importance of keeping stocks under strict control at a time of exceptionally high interest rates.

"We must also protect production schedules, thereby maintaining employment in Britain whenever possible."

BL has timed its "aggressive campaign" to give an impetus to sales in the final weeks of August, the month when purchasers take advantage of the new W registration.

In the first rush of registrations the State-owned company found itself lagging behind not only Ford but also the Japanese importers.

The marketing campaign may pull forward sales and improve BL's cash flow, but will not be welcomed by all the company's dealers.

One large distributor complained last night: "This is bad news for those who serve the fleet and volume market. Purchasers will expect not only the new prices but substantial discounts as well. It will further squeeze already depressed margins."

BL Cars cleared substantial stocks and increased its home market share from 15 per cent to more than 23 per cent with a similar sales campaign in the spring. Penetration for the first seven months of the year was only 17.8 per cent, compared with 20.34 per cent in the equivalent period last year.

John Griffiths writes: BL's UK-based rivals refrained at the weekend from criticising the price-cutting campaign, although the company was widely accused of triggering a round of heavy discounting with its "Buy British" campaign in the spring.

Part of the reason is that less visible incentives to dealers are still fairly wide-

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STATE AID FOR FIAT

BY RUPERT CORNWELL IN ROME

THE ITALIAN SENATE approved early yesterday a special L1,500bn (£760m) fund for industries in trouble, to be spread in the next three years. The bulk of these resources is likely to go to the troubled car industry, and the Fiat group in particular.

The provision, the final shape of which was the result of a compromise between the Government and the Communist Party Opposition, is due to go before the Chamber of Deputies later this month.

The fund could provide a part of the plan for recovery of the motor industry being urgently drawn up by a special committee of officials.

The plan's central theme is increased State aid, especially in the research field, in return for a softer line from Fiat over redundancies.

The Senate's move to launch the special fund, which will also be directed toward chemicals and electronics, coincides with reports that Fiat aims to put together a L1,000bn (£510m) bank consortium and capital restructuring programme.

However, major Italian banks said to be involved in the project have denied knowledge of it.

Anger as EEC fails to act on cheap U.S. chemicals

BY SUE CAMERON, CHEMICALS CORRESPONDENT

EUROPEAN chemical companies were giving vent to mounting anger at the weekend as it became clear that Viscount Etienne Davignon, the European Commissioner for Industrial Affairs, had failed to press their case against cheap U.S. chemical exports during a recent visit to Washington.

M. Davignon went to Washington 10 days ago. Senior chemical company executives say Commission civil servants asked the industry for a full briefing on U.S. chemical exports to Europe just before the trip took place.

They also say that only three weeks ago the EEC Council of Foreign Ministers gave the Commission a clear-cut political mandate to open fresh talks with Washington on ending the "unfair" price advantage enjoyed by U.S. petrochemical producers.
advantage enjoyed by U.S.

But officials in Brussels now claim there was "no particular reason why petrochemicals should have been discussed" during M. Davignon's visit. They said the main topics raised had been steel, automobiles and relations with Japan.

There had been no concrete results from M. Davignon's trip and none had been expected.

Mr. Len Burchell, managing director of BP Chemicals, said yesterday that if M. Davignon had really done nothing to help the European chemical industry during his visit, then his behaviour was "unforgiveable."

The European Council of Chemical Manufacturers' Federations—CEFIC—said it was "extremely disappointed" that the opportunity presented by M. Davignon's visit had "not been used in the way we had hoped." Time was "of the essence" because of the forthcoming U.S. elections which would paralyse any initiatives in the autumn.

"We were not looking for an automatic success from this visit but we did at least expect a try," CEFIC said.

"The situation in Europe is becoming worse and worse. We do not know of any major European petrochemical producers that are now making profits. We are not saying that cheap chemical imports from the U.S. are entirely to blame—they are not. But with the current recession, these low-priced products from across the Atlantic are having an increasing impact on the European chemical industry.

"Even if chemical exports from the U.S. to Europe did not increase at all in absolute terms from now on, they would still take a growing share of the European market because of the sharp downturn in demand."

The U.S. Government is pegging oil and gas prices at below world levels. Gas is one of the major raw materials for making petrochemicals, and the European industry claims that its American competitors are therefore enjoying an unfair cost advantage of about 15 per cent.

Representatives of CEFIC went to the U.S. a few weeks ago to discuss the issue. They felt they had made some headway because the Americans had agreed that a problem existed and that finding an amicable solution might be in everyone's interests.

The U.S. plans to decontrol oil prices by 1981 and gas prices by 1985. But European companies say that the U.S. will not be able to meet these deadlines if it keeps to its present formula for doing so.

Three new projects will boost North Sea oil production

BY RAY DAFTER, ENERGY EDITOR

NORTH SEA oil production will be boosted in the coming weeks by the commissioning of two fields, Continental Oil's Murchison discovery and Texacos Tartan Field.

The Government is also expected to announce in the next few days that Continental Oil (Conoco) and its partners can go ahead with the revolutionary development of the Hutton Field.

The three projects, costing a total of $2.75bn (£1.2bn), are expected to add more than 300,000 barrels a day to UK production capacity. The output, when combined with the production from other fields, could give the UK a potential of being a significant net exporter in the 1980's. Mr. David Howell, Energy Secretary, has said he will apply flexible depletion policies to keep production levels fairly close to domestic oil self-sufficiency.

The Murchison and Tartan projects are running neck and neck. They will be the 15th and 16th UK oil fields in the North Sea to be brought into production.

British Petroleum hopes they will be joined later in the year by the small Buchan Field, the exploitation of which has been delayed by problems with the conversion of a drilling rig into a production unit.

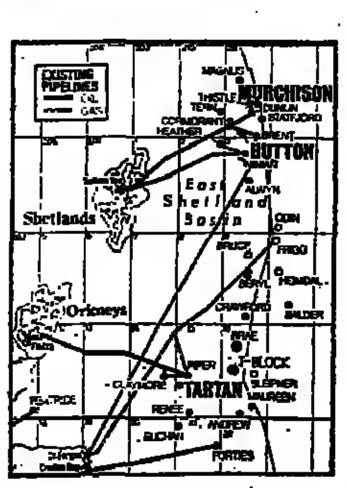
Texaco was hoping its Tartan Field would be commissioned this week. However, a last-minute mechanical failure in equipment being used for the drilling of a long, slanted well, means it could be several more weeks before the field is in production. Tartan, with estimated recoverable reserves of 250m to 300m barrels, is expected to produce at a peak rate of around 85,000 b/d.

Assuming there are no further delays, Tartan will be on stream within a few months of the target date set by Texaco three years ago.

The Murchison project is progressing even more closely to schedule. Conoco, the operating company, said the first oil should flow *next month* — "within weeks of the target date."

The field, which straddles the UK-Norwegian median line, is expected to yield about 20,000 barrels a day initially, but by next spring it should be producing at close to its peak rate of around 120,000 b/d.

Conoco said the development was also being completed within the dollar budget of just



under $1bn. Interests in the UK sector of the field are Conoco, British National Oil Corporation and Gulf, each with a one-third stake. The Norwegian consortium, which has a 16.25 per cent interest in Murchison, comprises Statoil, Amerada Hess, Amoco, Conoco, Exxon, Mobil, Saga, Shell and Texas Eastern.

A group of eight companies, led by Conoco, expect to be told within days that they can proceed with the exploitation of the

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Tighten monetary policy, Fed told

A KEY congressional committee last night urged the U.S. Federal Reserve Board tighten up an already restrictive monetary policy "until significant progress has been made in reducing inflation." The Senate Banking Committee said the Fed's targets for money supply growth, which span three percentage points, were too vague.

Although the message was expected from the committee, it comes when the U.S. credit markets are again focusing keenly on questions of monetary growth in trying to assess the immediate outlook for interest rates and the U.S. economy.

Some economists believe money growth in the U.S. is already showing signs of getting out of band, with consequent dangers for inflation, even though the economy is only just starting to pull out of the trough of recession.

The Federal Open Market Committee—the arm of the Fed which sets the central bank's stance on interest rates and credit market intervention—meets tomorrow and Wall Street will be anxiously watching for any indication of a shift in tactics.

Consensus

Last week the Prime Lending Rate showed its first upward move for four months, although other short-term interest rates fell fractionally. This upward trend in rates in the past three weeks is one of many signs that demand has again started to grow in the U.S. economy. A consensus is therefore gathering that the recession is to all intents and purposes over, although many economists still believe growth in the fourth quarter will be almost imperceptible.

Yesterday's report from the Banking Committee is the latest stage in a debate between the committee and Mr. Paul Volcker, chairman of the Fed, over money supply management.

It was pressure from the committee which forced Mr. Volcker to state ten days ago that the Fed would cut its money growth targets for next year by half a percentage point, compared with a range this year for the M1 B measure of 4 to 6½ per cent.

For most of the first half of this year, the Fed's problem was inadequate growth in money supply, but strong expansion in June and July has at last pushed the rate of growth into the lower bracket of the Fed's targets.

Kennedy sets terms for backing Carter

BY JUREK MARTIN, U.S. EDITOR IN NEW YORK

SENATOR EDWARD KENNEDY said yesterday he could support President Jimmy Carter as the Democratic Party's Presidential nominee only if Mr. Carter committed himself to a major economic revitalisation programme.

In an interview on the eve of the party's national convention in New York Mr. Kennedy said the economic policies the President would like the convention to endorse were "but a pale shadow" of its platform of four years ago.

He promised to wage a vigorous fight on the convention floor for adoption of a $12bn jobs scheme and for a commitment that the war against inflation would not be prosecuted through the mechanism of high interest rates and unemployment.

"There won't be any Democrat in the country who will work harder for the nominee," said Mr. Kennedy—once he was convinced that Mr. Carter's commitment to the right economic policies was one of "substance," not "cosmetic."

But though closely pressed during his interview he refused to concede that his own bid for the nomination faced certain defeat this week, or even that he might lose the critical initial fight late today on the proposed rule binding the 3,331 convention delegates on the first ballot to the candidate to whom they were pledged in primaries and caucuses.

Going into the convention, Mr. Carter has about 1,970 delegates pledged to him, more than 700 more than Mr. Kennedy. About 120 are committed to neither.

The senator's defiance was matched by the President and his advisers.

In another television interview Mr. Carter repeated that he would not release his delegates to vote "according to their consciences" even if he won the rules fight.

Though Mr. Kennedy predicted that this battle would be decided by "50 votes either way," Mr. Robert Strauss, the Carter campaign chairman, forecast that the President would carry the issue by 300 votes.

Mr. Strauss, who has admitted that it is possible that some of the economic planks supported by Mr. Kennedy could be adopted by the convention this week, also promised vigorous opposition to what he described as "adroitly drafted" but "simplistic" solutions.

Mr. Carter's own confidence on the eve of the convention was holstered yesterday with publication of several public opinion polls showing that his popularity had risen in the wake of his convincing explanation of the Billy Carter affair last Monday night.

These surveys put Mr. Carter between 14 and 20 points behind Mr. Ronald Reagan, the Republican nominee, after his Press conference, a smaller deficit than the 20-30-point spread beforehand. Mr. Strauss later predicted that by mid-October Mr. Carter would have drawn level.

One poll of Democrats, by CBS News and the New York Times, gave the President a 57 to 32 per cent edge over Mr. Kennedy last week, compared with the 43-43 tie of the week before.

But in spite of the strong prevailing view that he will not take the nomination this week, Senator Kennedy made only one real, though minor, concession to Mr. Carter in his interview.

He said that Mr. Carter's refusal to release his delegates was not, in itself, reason to withhold support from the President in the General Election proper.

Economics

He steadfastly maintained that he believed that the Democratic party would not "turn its back on 144 years of tradition and straightjacket the party on the choice of its nominee and, possibly, its platform."

He repeated his belief that the state of the economy would be the determining factor in the election, adding that "It is difficult to believe that Mr. Carter can make the (economic) case as effectively as I can," particularly in the depressed industrial states which hold the key in November.

Mr. Kennedy even delivered backhanded praise for Mr. Reagan, in that at least the Republican nominee held "strong and consistent" views on the economy. The Democratic Party, he maintained, would be "hard-pressed" if it did not return to its fundamental and traditional policies on the economy.

Mr. Kennedy is to deliver a keenly-awaited address tomorrow night to the convention on the state of the economy. His comments yesterday were a clear precursor of the line he would take.

Mr. Strauss, for his part, said that the President had no inten-

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OVERSEAS NEWS

Solh abandons attempt to form Lebanon Cabinet

BY IHSAN HIJAZI IN BEIRUT

THE LEBANESE Premier-Designate Takieddin Solh has ahandoned his attempts to form a Goveroment of national unity and stepped down after 20 days of hectic hut unproductive efforts.

In a letter to President Elias Sarkis declaring his resignation, the 71-year-old Mr. Solh said he had arrived at the conclusion that a Cabinet of activists or militia cnmmanders, was not possible at this time.

He said he had agreed on July 20 to try to form such a Cabinet which. he pointed ont. would alone he able to end five years of civil war. Mr. Solh, a veteran politiciao and former diplomat, said he did not want to form just any Cabinet.

President Sarkis will have to hold fresh consultations oo the aopointment of a new Premier-designate. They are not expected to begin until after the Moslem three-day feast of Ramadan due this week.

Mr. Solh's decision to abandno his effort to form a national reconciliatinn Government has deepened the country's seose of danger and uncertainty. Analysts said that even if a new Cabinet is formed. it will he able only to manage. rather than resolve. the complicated Lebanese crisis.

Begin offers to resign after Minister's attack

BY DAVID LENNON IN TEL AVIV

Mr. Begin . . . attacked.

THE ISRAELI Government continued its stormy ways yesterday when Mr. Meoahem Begin. the Prime Minister. offered to resign because of the bitter attacks on him by Mr. Ariel Sharon. Agriculture Minister.

Only a week ago. the Cabinet considered aod rejected the possibility of holding earl election, following the resignation of Mr. Samuel Tamir the Justice Minister, the sixth senior Minister to quit in the past two years.

The Cabinet yesterday rejecte

The Cabinet yesterday rejected the Premier's suggestion that he return his mandate to the Persideot and try to form a new Government. Instead it forced the Agriculture Minister to apologise for accusing the Premier of "having taken most important decisions on defence matters in a facile and off-hand fashion."

This followed a clash between the two men over Mr. Begio's refusal to name Mr. Sharon to the defenc portfolio. which the Premier has held since the resignation of Mr. Ezer Weizman in May.

But the row is far from over. Mr. Sharon voted against the appointment of Mr. Nissim as the new Justice Minister and apparently plans to oppose it when brought for Knesset approval.

Such a step would render the Agriculture Minister liable to dismissal from the Cabinet. if the Premier so wished.

To underline this possibility the Premier's aides yesterday actually named Mr. Begin's choice of candidate to succeed Mr. Sharon at the Agriculture Ministry.

Muskie not told about nuclear strategy change

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

Mr. Muskie . . . briefed.

MR. EDMUND MUSKIE, the U.S. Secretary of State, disclosed this weekend that he had not been told in advance that President Jimmy Carter had ordered a fundamental shift in U.S. strategy io the event of a nuclear war with the Soviet Union.

In an interview given while flying hack from speaking engagements on the west coast, Mr. Muskie, the former Senator from Maine who succeeded Mr. Cyrus Vance in April, said he only learned ahout the new approach in newspaper reports published last week.

He complaioed. though without signs nf anger, that he ought tn have been consulted abou such an important foreign pnlicy issue and was trying to find out why he had been hypassed.

Mr. Harold Brown, the Secretary of Defence and a prime moving force in the new policy, along with Dr. Zbigniew Brzezinski, the National Security Adviser, contacted Mr. Muskie over the weekend, briefed him and arranged to set up mnre extenaive briefings in the near future.

The Secretary of State emphasised that. on the basis of what little he did know, he had no ohvious qualms about the President's new directive. which stipulates that the U.S. should focus on acquiriog the ahility to wage a limited nuclear war against Soviet military installations rather than on the outright destruction of Russian cities.

But his comments tend to reinforce the widespread impression that Dr. Brzezinski, in particular, wields disproportionate influence over foreign policy. Conflicts between the National Security Adviser and Mr. Vance were frequent in the first three years of the Carter presidency, and Mr. Muskie, a man of iodependent weight and considerable pride, has made no hones about the fact that he ioteods to assert both the department's and his own role.

Certainly, in his freewheeling ohservations, Mr. Muskie stressed that he was not complaining about lack of consultation between the departments nf State and Defence, but rather about communication between his department and the National Security Council. He avoided any direct criticism of Dr. Brzezinski in person, however.

The new nnclear war approach has in fact evolved over a number of years. Although Dr. Brown and Dr. Brzezinski are considered the leading advocates inside the Administration, the State Department was not exclnded from the discussions in the critical six mooth period between late last summer and this spring, though Mr. Muskie only assumed his post lata in the process.

New York telephone strike

By Ian Hargreaves in New York

the New York area went on strike at midnight on Saturday, refusing to accept the terms of a nationwide wages deal agreed a few hours earlier.

Leaders of the Communication Workers of America in New York said the strike would disrupt telephone installation wnrk at the Democratic Party convention, which opens today, bnt American Telephone and Telegraph denied this claim.

The national contract agreed between the union and AT and T provides wage increases of around 35 per cent over the three-year contract for the union's 525,000 members.

Mr. Glenn Watts, president of the union, said the deal was "comfortably within" the Carter Administration's voluntary 9.5 per cent a year wage increase guidelines, bnt it will be several weeks before the Council on Wage and Price Stability reaches a verdict on this point.

Telephone workers in New York said the new contract provided inadequate assurances on job security.

AT and T said that telephone installations for the Democratic convention were virtually complete, but union leaders. who had called their members ont on a 24 hours pre-deadline stoppage on Friday, said that crucial hook-ups for the Carter and Kennedy headquarters remained to be completed.

Tokyo considers modest cut in discount rate

BY RICHARD C. HANSON IN TOKYO

JAPAN is perparing a shift io its economic strategy to avoid a aerious turndown in business activity later this year. The details of the move will be most likely be decided by the cabinet early next month.

The chief economic ministers in the Government have been discussing the need to lower the official discount rate and ntherwise to reinforce economic activity which in recent montha bas shown signs of slowing down.

The consensus, however, appears to be that present cooditioos do oot warrant any drastic change in the Governmeot's basic anti-inflationary stance. The most likely actioos therefore are a modest reduction in the official lending rate and an effort to speed up public works expenditure io the latter half of the year.

The discount rate bas been at the record high level of 9 per cent since mid-March, when a foreign exchange crisis prompted the authorities to raise the rate by 1.75 per cent. It is felt that a reduction by about half that much would satisfy the husioess community, without seriously adding to inflation.

Perhaps the best argument for lnosening credit is simply that respoosible ministers in the new Cabinet of Mr. Zenko Suzuki have virtually pledged themselves to such a reduction.

Enthusiasm for a reduction in the rate waoed somewhat last month when the yen dropped for the first time in several months. That trend, however, seems to have moderated in the past few days, and the possibility of a cut has probably already been discouoted in the foreign exchange markets.

The view that the economy might need a push into the autumn is mainly founded oo the latest production and machinery order statistics. Manufacturers reported that production alipped 1.2 per cent in May and 0.7 per cent in June, mostly in reaction to the very fast increases earlier in the year. The export drive seems to ba slowing and there are signs that private consumption is also sluggish because of a decline in real income after the very moderate wage settlements in the spring.

West German slowdown

BY JONATHAN CARR IN BONN

FURTHER EVIDENCE of a slowdown in West German economic activitity emerges in the latest figures of orders to manufacturing industry. But the inflatioo rate is slowiog markedly too.

Official but preliminary statistics show that industrial orders fell in June against May by a seasonally adjusted 2.5 per cent. One major reason was a sharp drop of no less than 15.5 per cent io real terms io foreign orders for the key capital goods sector.

Some special factors affect these figures. including an uousually high level of capital goods orders in May. But a comparisoo between the two months May-June with the same period last year shows a fall in total industrial orders of 6.5 per cent by volume aod by 0.5 per cent in value.

At the same time the inflation rate, which reached a year-on-year peak of 6 per ceot in May and Juoe. fell to 5.5 per cent in July, according to the Federal Statistical Office. The month-to-month trend shows a rise of 0.2 per cent in July. after one of 0.5 per ceot in June.

The Bundesbank is widely expected to follow up, before long, its receot easing of monetary policy, with a cut in discount and Lombard rates. These have stood at 7.5 per cent and 9.5 per ceot respectively since May 2.

Foreign considerations will also play a major role in the Bundesbank's decision. The Deutsche Mark remains one of the weakest currencies in the Europeao Mooetary System (EMS), and falling interest rates could weaken it further.

Botha repeats decision

BY BERNARD SIMON IN JOHANNESBURG

THE SOUTH African Government's unexpected decision last Friday to abandon a separate advisory body for blacks as part of its proposals for a new constitution has not altered its determinatioo to exclude blacks from the key President's Council, Mr. P. W. Botha, the Prime Minister, bas indicated.

The President's Council, the supreme executive anthority which is due to he constituted in October, will he open only to whites, coloureds and Asians. The decision to abandon the black council was announced after a teose meeting between Mr. Botha and leaders of the black tribal "homelands."

Even the homeland leaders, who are among the most conservative spokesmen for South Africa's 20m black people, have adamantly refused to serve on a separate black council. One reason for their refusal was a Cabinet Minister's explanation that blacks have been excluded from the President's Council because they are "slow thinkers."

The main white opposition party and most coloured and Asian leaders have said they will not participate in the President's Council unless blacks are included. Mr. Botha said in a weekend interview that "blacks are not going to serve on the President's Council. It is an insurmountable obstacle."

Under Government policy, all tribal homelands will eveotually become "independent" states and there is thus no need for blacks to participate directly in "white" South Africa's political system.

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British hope of progress on Belize

By Our Mexico City Correspondent

MR. NICHOLAS RIDLEY, the British Foreign Office Minister, arrives in Belize today with clear signs that Britain will put new pressure on Guatemala to solve the territorial dispute which has blocked the colony's independence for the past 15 years.

Mr. Ridley, in charge of negotiations over Britain's last dependency on the American mainland, will confer with Mr. George Price, the Belize Prime Minister, before travelling to Gnatemala City on Tuesday to met Sr. Rafael Castillo Valdez, the Guatemalan Foreign Minister.

Britain has been trying since 1960, to persuade Guatemala to drop its 40-year-old claim to a sizeable part of the colony, once known as British Hondas, as a prelude to independence. But the problem was given new nrgency by the Foreign Secretary, Lord Carrington, in Mexico City on Friday night.

Internal problems

Speaking after an unscheduled meeting with Mr. Price, Lord Carrington said be. hoped for quick progress after this week's talks. "Matters cannot be allowed to drag on," he said. "We-ve made it clear to the government of Guatemala that the independence of Belize mnst take place," he said.

Britain is clearly banking on the idea that with its severe internal problems and growing international isolation, Guatemala will be keener than before to reach some settlement. Belize officials hope Guatemala might now accept a deal based on 1978 proposals which would allow it free port facilities and a guaranteed passage to the Caribbean for its goods.

Not only have the United Natinns and the Non-Aligned Movement called for full sovereignty for Belize, which bas a population of 140,000, but what little support Gnatemala enjoyed from its Central American neighbours has rapidly fallen away with the turmoil in the region. Mexico, Panama all back full Costa Rica, Nicaragua and independence.

Guatemala'a military-led government bas also strained its ties with the United States and has its hands full dealing with a wave of political wing insurrection.

'North-South' summit

Lord Carrington flew home from Mexico City over the weekend after an 11-day tour through Brazil, Barbados, Venezuela and Mexico which bas demonstrated interest in an area traditionally neglected by British foreign policy and gone some way to bolsters Britain's flagging trade with Latin America.

West Germany, Japan, France and post-Franco Spain have been diligently courting Mexico, now the world's fifth largest oil producer, and anxious to break free from its traditional economic dependence on the U.S. Britain has dropped to fifth place as a Mexican trading partner, and now accounts for little over 2 per cent of Mexican imports.

Lord Carrington told each of his hosts that he wanted to make np for Britain's omissions and stressed his understanding for the main problems pre-occupying the region — energy distribution and the deteriorating economic balance between the industrial and developing world.

Lord Carrington pleased the Mexicans last week by giving greater British support than before for the 21-nation "North-Sonth" summit that President Jnse Popez Portillo hopes to hold next March.

Britain had been sceptical of the idea when it was proposed by the commission on Third World problems beaded by the former West German Chancellor, Herr Willy Brandt. The foreign secretary told the Mexicans that Britain would welcome the meeting, provided it was more than just a talking shop.

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Giles Merritt and David Tonge in Athens explain the effects of EEC entry

Challenge to the Greek financial system

A SERIOUS and fundamental policy coofiict threatens to divide Greece's new Government. At issue is the cumbersome and anachronistic army of state cootrols that a younger generation of Minister believes is stifling Greece's development.

The beirs of Mr. Coostantine Karamanlis, who moved up to the couotry'a presideocy two months ago, differ over whether, how and how quickly to dismaotle these controls. The outcome of this conflict will determine the course Greece follows aa it strives to adjust to the demands of full membership of the EEC.

The intenaity of the disagreemeot is only just beginning to surface in the Cabinet, and has so far been concealed from the Greek public. Its seriousness stems from three factors.

First, Greece's date of accession to the EEC, January 1, 1981, ia looming. Not only is Brussela demanding that Greece abould embark on reforms more radical than it has aeen io decadea, but the country is also receiving official warnings about the changes necessary for it to respood to the challenges of membership.

Second, Greece is now enteriog an economic crisis with stagnation, 25 per cent inflation and potential problema next spring of financiog its current account deficit.

And third, general elections have to he held hy November, 1981, and Ministers know that failure to tackle the deepening crisis could threaten their hold on office.

The chances of a breakthrough by the main opposition party—the Socialist PASOK led by Mr. Andreas Papandreou—are in any event increasing. Some political observers now talk of a "hung Parliament" in which PASOK and the ruling New Democracy Party each bold a minority 40 per cent of the aeats.

It is a possibility that faces the Government with a dilemma over the reform issue. For the choice facing the Government is either to opt for a "progressive" image as an administration bent on tackling economic crisis, or to protect its own electoral base. The reckoning is that, after 30 years in power (barring the Colonels' interregnum), the party re-named New Democracy risks upsetting its tentacles of patronage by espousing change.

The coofiict over controls has heguo to come to a bead in the past fortnight. During this time the Goveroment has been presented with demands for a reform which, although sounding simple, challenges the existing tenets of Greek hanking and, through this, the whole mechanism of investment decisions in a country where productive investment bas been in a slump for five years.

The demand is for liberalising the ioterest rates charged by the hanks. At present, there are 82 separate rates established hy official fiat, according to Mr. Efthymios Christodoulou, governor of the Commercial Bank of Greece: that is his conservative estimate, and he saya the number might be as higb as 120.

The International Mooetary Fund and the Paris-hased organiaation for Economic Co-operation and Development. (OECD) which groups 26 industrialised countries, have long been calling on Greece to allow normal banking criteria to prevail. They have recently heen joined by the EEC which frowns on Greece's oractice of suhsidising credit fnr exports.

Now the National Bank of Greece—not the central bank but a state-owned bank which accounts for 60 per cent of domestic bank deposits—says it is putting its weight behind the change, as do members of the two-month old Cabinet.

The importance of thia issue is that these rates are, as Mr. Christodoulou puts it, only the tip nf the iceberg. If tbey are to be changed, he aays, so must many of the whole complex nf rules and regulations which bind Greek banking hand and foot andw hich have dictated the pattern of Greek developmentf or the past 25 years.

Today it is these rules and regulations which are being challenged by a rising generation of Ministers and hankers, a generation which is also concerned with the hroader question of burying an economic philosophy which dates hack to the mid-1950s.

One fumbling step in this direction is already under way ast he Greek authorities hegin to embark on abolishing exchange cootrols and eveotually making the captive drachma fully convertible.

This autumn, a managed inter-bank foreign excbange market is due to start on a preparatory basis. The Bank of Greece says that it will only allow "anthentic transactions"—that is fnr the payments of goods and services rather than speculation. The aim is that this market abould be in operation early next year, thouch hankers are wryly scepical abont this.

At present, the drachma is fixed daily against a basket of currencies. Greece's Treaty of Accession to the EEC allows it until the end of 1985 to make the drachma largely coovertihle.

However, the issue of interest rates raises even more fundamental questions. Like many countries in the post-War period, Greece introduced a series of emergency measures to revive a banking system racked hy the hyper-inflation which, together with civil wars, bad characterised Greece in the 1940s.

These measures included a strict array of controls on all aspects of hanking procedure, iocluding the type and size of loans to be allowed and bank security. But, whereas most countries dismantled these controls, Greece decided tbat the temporary measures could provide permanent lostruments of development policy.

Over the years, the cootrols have been extended and complicated to the point where their sheer intricacy amazes even those responsible for administering them. The result is a closely managed banking system, with comolicated reserve requirements, a remarkable structure of fixed interest rates aod interest equalisation schemes, qualitative ending controls and ceilings—that is the myriad interest of rates determined over the years for different types of business. The reserves are used by the state to finance a large part of the budget deficit.

Greece's long-term growth rate has been impressive, but a recent Central Bank study by the Economic Adviser of the Bank of Greece finds tbat the cootrols over the banks and, through them, over industry, have totally failed in their aims.

The study concludes that, in the banking sectnr, the qualitative credit controls have not directed lending to the areas favoured hy the Goverooment. It adds that they have perpetuated the "closed circle" nature of Greek banking and have stifled the use of proper banking criteria.

The controls are further alleged to have postponed the adoptioo of proper policies to encourage investment and to have prevented the emergence of healthy credit mechaoisms capable of mobilisiog economic resources aod efficiently allocating these for iodustry. The study fiods that the effect of the cootrols has beeo to force iodustrial compaoies to finance their own trade rather than to concentrate on investing for development.

A similar criticism from the viewpoint of industry is expressed by Mr. Stefanos Manos, the new Mnister of Industry aod Energy. "Dirigisme is useful if it is successful. But we have heen unable to direct what we thought we were directing," he says. "We find that we are pulling strings which either have nothing attached or are totally tangled. I go for freeing thia tangle."

Mr. Karamanlis, above left, a member of the "old guard" and and Mr. Manns, new Minister for Industry.

Fnr Mr. Ioaonis Boutos, the Minister of Co-ordination holding Greece'a most powerful economic post, reform of the banking system is essential if Greece is to take advantage of its entry to the EEC. A modern hanking system would "open new vistas of entrepreneurial activity," be tells visitors. He says that he favours allowing market forces into the banking sector and replacing administrative controla with more general monetary and fiscal controls.

The present edifice of controls is the monument to many of the men who still rule Greece. In the mid-1950s, as today, Professor Xenophon Zolotas was governor of the Bank of Greece. Mr. George Rallis, the Prime Minister, was then a Minister, and Mr. Karamanlis was Prime Minister. Where Mr. Karamanlis and Mr. Rallis now stand on the reform issue is tatalisingly nnclear. But Mr. Zolotas favours cantion.

Two months ago, Mr. Karamanlis moved to a presidency that many bad likened to the Elysée in France's Fifth Republic. So far, it has proved more like that of the Fourth Republic. This political shift bas emboldened the younger generation, many of them trained abroad. Traditionally, they would bave bowed to the conservatism of their elders. But oow—pressed by the country's economic problems and aware of the rising threat of Mr. Andreas Papandreou's anti-EEC PASOK Socialist Party they stress how the EEC is proving a "catalyst for change."

In some areas, this is true and the protectionism and obscurantist attitudes of much of the civil service are now being severely challenged. The EEC is, for instance, pressing for lifting some of the non-tariff barriers to trade behind which Greek industry bas sheltered. The compulsory import deposits demanded of many Greek importers are to be pbased out from the beginning of next year. Further, the system of import licensing is quickly to be altered, according to Mr. Manos.

But, in many other areas, any attempt to discuss the details of specific reforms only shows the general problems the younger generation faces. Asked about abolishing the subsidised interest rates given to exporters, both Mr. Christodoulou and Mr. Manos are quick to counter that the preferential rates scarcely compensate for the numerous taxes which Greece imposes in place of the single Vaine Added Tax prevailing in the EEC. Greece must itself introduce VAT by 1983 to aatisfy and belp to fund the EEC, but so far has apparently not addressed itself to that problem.

Already, the requirements of EEC membership have forced the Greek authorities into their biggest reappraisal of policies since the end of the civil wars in 1949. In many cases, the full implications of membership are only just becoming clear in Athens. But now the thereat posed by the industrialised Nine to a long protected Greece are forcing Greece's leaders to face issues never publicly aired during the negotiations.

There are suggestions that Mr. Karamanlis well knew what was involved and thought that only EEC entry would shake up a long-cocooned civil service and society. But Ministers admit thatt he decision to join the EEC was purely political—and economic advisers back this up by observing that in major areas such as industry, research was timed too late to provide any input into the Brussels negotiations.

U.S. exports to China may reach $5.3bn by 1985

BY NANCY DUNNE IN WASHINGTON

ALTHOUGH the U.S. Commerce Department has been backing away from its early optimism of a booming U.S.-China hard-currency trade, it now expects U.S. exports to China to continue to expand at their current pace, about 13 per cent—or even faster.

Increasing at the present rate, U.S. sales to China would reach $5.3bn (£2.2bn) in 1985, says Mr. Damian Gullo, a Commerce Department economist writing in "Businesa America," a department publication.

"Prospects are good that the U.S. will capture an even greater share of the Chinese market," says Mr. Gullo, who points to an improvement of bilateral commercial relationa resulting from the resolution of outstanding claims in 1979 and the passage of the U.S.-China trade agreement in early 1980.

The Department's original estimates of trade between the two countries, made in the early days of the Carter Administration, were scaled down when the Chinese began making substantial changes to their 1976-1985 ten-year plan in 1978. When re-thinking by Chinese planners led to the decision to concentrate resources on improving living standards and developing light industry, Peking was forced to scale down, postpone or cancel many of the 120 projects it had originally planned.

The initial disappointment in the U.S. however, has been replaced by some optimism.

China's decision to boost textiles has led to a steady demand for foreign cotton as well as synthetic fibrea and textiles machinery, according to Mr. Gullo. In the first four months of 1980, the U.S. shipped to China about 970,000 bales of cotton, only 130,000 less than the total delivered in 1978.

With its large population growth, China is expected to continue to provide a market for U.S. grain. In 1978 it exported 10m tons of foreign grain worth over $1bn (£420m). Half of that was American wheat and corn.

The decision by Peking planners to import equipment and technology instead of purchasing whole plants has hurt U.S. exporters, says Mr. Gullo. While interest ratea on credits will be substantially lower than those for commercial credits, they are still higher than the officially backed credits available to the Chinese from Japan and other Western countries.

Still, Mr. Gullo expects Peking to seek U.S. assistance for certain high priority ventures like oil exploration and development of hydropower projects. In 1979 U.S. sales of pipe and equipment for China's oil-gas industry totalled $240m (£101m).

Japan group seeks N. Korea tie

BY RICHARD C. HANSON IN TOKYO

A GROUP of 20 top-rank Japanese companies has formed a trade study group aimed at strengthening ties with North Korea, which do not have diplomatic relations.

The group, called the East Asia Trade Study Group, ostensibly will concentrate on gathering information on economic relations between the two countries. These relations have been particularly delicate because of difficulties the North has had in re-paying trade finance credits extended by Japanese banks.

The Japanese side hopes that it may be possible for the group to exchange offices with the North Koreans — which would represent a significant stepping up of ties between the two countries. North Korean Government interests are represented in Japan by a group of Korean residents whose allegiance is to the North. On the Japanese side, there is a trade association with offices in Tokyo but no representation in the North.

It is considered highly unlikely that the North Korean Government would consent to sending a representative to Japan on anything less than a Government to Government basis. This is out of the question because of Japan's ties with South Korea. But it is tempting to speculate that Japan could use the stick of improved ties with the North to remind the South that it is not very happy with recent events there.

Members of the new group include such large trading companies as Mitsubishi, C. Itoh and Marubeni and Mitsui and Company, and Nissho-Iwai. Among the banks are Sanwa, Mitsui and the Industrial Bank of Japan. On the manufacturing side are Nippon Steel, Nippon Kokan, Kobe Steel, Mitsubishi Motor, Hino Motor, Taiyo Fishery, and Nippon Seiko.

Trade between Japan and North Korea is still a fraction of that with South Korea. But in 1979, Japanese exports to North Korea rose 54.8 per cent to $284m while it imported $152m, up 42 per cent. Two-way trade with the South last year amounted to nearly $10bn.

● A private Japanese trade mission is on a visit to Kampuchea but Japan's Foreign Ministry said it takes a dim view of the trip because Japan does not recognise the Vietnamese-backed Heng Samrin regime, AP-DJ reports from Tokyo.

Tokyo-Cairo steel plant

TOKYO — An Egyptian-Japanese joint venture company will be set up in Egypt in the next two months to launch a $520m project to build a steel-making factory at El Dikheila, near Alexandria, by about 1984.

Japanese steel industry officials say the joint company, yet to be named, will initially be capitalised at $160m and will be 86 per cent owned by the Egyptian Government, 10 per cent by a consortium of three Japanese companies and four per cent by the International Finance Corporation (IFC). The projected plant will have an annual production capacity of 360,000 tonnes of steel products including steel bars.

The Japanese consortium is composed of the steel concerns Nippon Kokan, Kobe Steel, and Tomen Company, a trading concern. These will co-operate in providing engineering services, management guidance and steel-making facilities.

Of the total project cost, $100m will be covered with a World Bank loan $50m with an IFC loan and about $80m through a yen loan from the Japanese Government, the official said. Reuter

SHIPPING REPORT

Freight rate slump underlined

BY OUR SHIPPING CORRESPONDENT

THE LATEST statistics from the General Council of British Shipping (GCBS), underline the extent of the downturn in freight rates last month. The GCBS's tramp trip charter fell by 13 per cent—its biggest monthly drop since President Carter announced his embargo on U.S. grain sales to Russia, at the start of the year.

The GCBS figures emphasise that the slump in freight rates was concentrated among the larger bulk carriers. Rates for vessels of between 50,000 dwt and 85,000 dwt dropped by over a fifth in July and are now at their lowest level since last September.

By contrast, rates for vessels of under 20,000 dwt, only fell by 6 per cent and are still close to their year's high.

The coal trades remain fairly buoyant with the key Hampton Roads/ Japan rate moving up to $23.50 per tonne. In the Gulf/Continent grain tradea 62,000 tonners are being fixed at $15.25 per tonne. However, Denholm Coates reports that fixtures are being kept very short-term, which implies that charterers are keeping their options open.

In the tanker trades the most notable and depressing feature was the news that a 417,000 dwt ULCC was fixed by Exxon for a voyage, Arabian Gulf/West, at Worldscale 16 — a new low for the year.

A 280,000 tonner was fixed for a similar voyage at Worldscale 24½.

In the sale and purchase market the most remarkable development of late has been the scale of Chinese buying. Eggar Forrestar estimates in its latest sale and purchase market report, that the Chinese have spent over $300m on second-hand ships over tha last couple of months.

Norwegian brokers confirm this activity. R. S. Platou reports the Chinese have been particularly intereated in Panamax bulk carriers built in the early 1970s, but have also bought some 30/40,000 tonners.

In its latest monthly report, Oslo brokers R. S. Platou give the following representative new building prices: 30,000 dwt bulker ($18m); 60,000 dwt bulker ($27m); 130,000 dwt bulker ($40m); 30,000 dwt product carrier ($28m); 80,000 dwt tanker ($35m).

Cossiga delays Alfa decision

By Rupert Comwell in Rome

THE ITALIAN Government has postponed until mid-September a final decision on whether to authorise the controversial Alfa Romeo-Nissan joint venture to produce 60,000 cars a year in southern Italy.

Sig. Francesco Cossiga, the Prime Minister, himself decided on the postponement in an effort to stave off threats to his Government because the three member parties of the coalition disagree strongly about the car deal.

A key question is whether Nissan will accept another delay—the fourth since broad agreement was reached between the two concerns—or carry out its threat to pull out.

Sig. Cossiga's decision represents an important tactical victory for the Republican Party and the majority of the ruling Christian Democrats and for Fiat, Italy's biggest private group, which are all opposed to the deal.

It is a sharp setback for the Socialists, the third member of the coalition, who have advocated a speedy ratification. It can only increase their recently visible unhappiness with the government, buffeted amid the aftermath of the Bologna bombing by bitter attacks from the opposition Communist Party.

It is being said that the Alfa-Nissan delay may allow a final decision to be taken in the framework of a government plan to tackle the serious difficulties of the Italian car industry.

E. Europe wine push by Spain

By Jane Monahan in Madrid

THE SPANISH Government has approved the setting up of an export company, Recesiva, for exports of vins ordinaire to Eastern Europe. The Government will have a 10 per cent stake. The other shareholders will be Spanish Co-operatives, of which the most important are Union de Co-operativas Agricolas, Vinival, which is based in south eastern Valencia, and Savine based in the northern Rioja wine region.

According to officials, one of the objectives of this company will be to help regulate the guarantee prices fixed for vins ordinaires each harvest. For instance, in next year's harvest, to help maintain the guarantee price of Ptas 121 (70p) per hectolitre of wine, recesiva is going to withdraw 1.5m hectolitres from the local market. Recesiva's eventual storage capacity is expected to be 10m hectolitres.

The decision to establish the new company also reflects the rapidly growing trade abroad in "vins ordinaires." Last year such exports from Spain amounted to $1.02bn —roughly 20 per cent of the total foreign wine trade—Russia was Spain's most important customer, taking 2.5m hectolitres of white wine. This year Moscow has signed an agreement with Union Nacional de Co-operatives to buy 1.5m more.

W. German market seen strong for UK knitwear groups

BY RHYS DAVID

BRITISH knitwear groups should be getting a bigger share of the overseas contracts placed by West German clothing groups, a new report by the sector's economic development committee argues.

Britain has one of the biggest knitwear industries in Europe employing more than 100,000 people, yet it only had 2.3 per cent last year of West Germany's total knitwear imports of DM 4.48bn (£1.1bn). More than half West Germany's imports, too, came from other EEC countriea with Italy accounting for 38.4 per cent.

The report — Spearhead Germany—which is the work of a committee chaired by Mr. Richard Meadows, a director of Corah, one of the big Midlands knitwear groups, says UK companiea should be taking advantage of the switch by West German clothing groups into importing because of the high cost of manufacturing. As much as 75 per cent of the sales of some West German manufacturers is brought-in from abroad, it states.

The industry also needs to improve its links with West German retailers, most of whom, the report claims are ignorant of the size and capabilities of the UK knitwear industry.

The report gives a breakdown of the structure of West German retailing together with notes on the way UK manufacturers should tackle the market.

CEFIC wants product liability rule dropped

BY SUE CAMERON, CHEMICALS CORRESPONDENT

EUROPEAN chemical companies have called for the withdrawal of the proposed European directive on product liability.

They believe the survival of some chemical producers could be put in jeopardy if the present proposals go through, and they are demanding a complete re-think of the existing draft directive. The move follows a request from the European Parliament for the proposed directive to be scrapped.

CEFIC—the European Council of Chemical Manufacturers' Federation—has sent a paper to the European Commission setting out the reasons for the industry's objections to the directive. The paper says chemical companies are particularly concerned about plans to make producers liable for hazards that are "undetectable and unforeseeable at the time the product is being put into circulation."

CEFIC is also worried about the definition of the term "producer." It points out in its paper that chemicals often "lose their identity" after they have been processed and used in the making of other goods.

Capper Neill Libya order

BY OUR WORLD TRADE STAFF

CAPPER NEILL International has been awarded a $15m (£6.4m) contract from AGOCO, one of the largest oil producing companies operating in Libya.

The contract calls for the provision of additional storage tanks and associated works at the Tobruk tank farm and terminal facilities. Each of the 260 ft wide tanks Capper Neill is to build will have a capacity of a half-million barrels of crude oil. The company will also manufacture a smaller relief tank.

Work has already begun on the foundations for the tanks, equipment and roads, with the completion time set for mid-1981.

Capper Neill will send some 30-40 UK personnel to the site and will also employ some 70-80 Indian nationals in addition to locally-engaged Libyan personnel, the company said.

World Economic Indicators

INDUSTRIAL PRODUCTION

					% change over previous year	Index base year
	June '80	May '80	Apl. '80	Jan. '79		
U.S.	141.2	144.7	145.4	152.3	−7.3	1967=100
W. Germany	130.5	130.9	132.0	133.0	−1.9	1970=100
Italy	147.7	149.0	147.8	134.8	+9.5	1970=100
	May '80	Apr. '80	Mar. '80	May '79		
UK	107.0	107.1	109.0	114.3	−6.4	1975=100
Holland	112.0	116.0	118.0	119.0	−5.9	1975=100
Japan	144.5	145.2	142.6	132.2	+9.5	1975=100
France	133.0	136.0	135.0	131.0	+1.5	1970=100
	Mar. '80	Feb. '80	Jan. '80	Mar. '79		
Belgium	126.8	119.2	108.1	126.6	+0.1	1970=100

Labour Left may make new leadership move

BY ELINOR GOODMAN, LOBBY STAFF

LABOUR Left-wingers are considering using an untried strategy at this year's party conference in a final bid to get the rules governing the election of the party leader changed before the autumn, when they expect Mr. Callaghan to step down.

Dame Judith Hart, a member of the National Executive, is believed to have asked officials at Transport House whether the NEC can, within the rules of the party, put forward a statement giving delegates an opportunity to vote first on whether they want changes in the rules, and then on two different procedures for electing the leader.

The options would be drafted in such a way as to be easily converted into amendments to the party constitution. So if delegates voted against retaining the existing rules, the most popular alternative would be adopted and would come into effect before November when most Labour MPs expect Mr. Callaghan to go.

Support

The last meeting of the executive agreed on a new formula for electing the leader—involving the creation of an electoral college with more than 2,500 members—to be put to the conference.

Behind the idea of an alternative to this lies the worry on the Left that the proposal as drafted will not get the necessary support, and that the next leader will therefore be elected under the existing rules. These give MPs the exclusive right to elect the leader and therefore favour a moderate candidate.

The decision to try and put forward a range of options to conference also reflects the division on the Left over what is the correct approach. A number of Left-wingers are unhappy with the proposals adopted by the executive last month with the support of Mr. Anthony Wedgwood Benn.

This resolution proposes giving trade unions half the seats on the electoral college, which some Left-wingers think is too high a price to pay for the big votes of the unions at conference. They went along with the idea, however, on the grounds that getting the principle of an electoral college accepted was more important.

The statement now being drafted by Dame Judith includes the formula passed at the last meeting of the executive as one option. The other two options are: retaining the existing rules and a plan, favoured by the Tribune Group, which would effectively share out the seats on the new electoral college equally between the unions, Labour MPs and representatives of the constituencies.

The draft, which will go to the next meeting of the NEC, is deliberately worded in such a way as not to offend conservatives in the party. For this reason it does not use the emotive phrase "electoral college" but talks instead of extending the franchise to make it more democratic.

Dame Judith appears to have concluded that the only way to give delegates the opportunity to vote on a range of options would be to put these forward in the form of a short statement from the executive. This strategy has never been used in this way before, in so far as it would allow conference to vote on both the principle and any necessary consequential amendments.

In spite of the Left's new approach, the moderates still claim to be confident that they will win at this year's conference and that the rules governing the leadership will not, therefore, be changed.

Popular

When Labour MPs packed up last week, most were predicting that Mr. Callaghan would announce his retirement after the conference, but an NOP poll published in the Observer yesterday showed that just over half the Labour supporters interviewed thought Mr. Callaghan should stay on to lead his party into the next election.

Mr. Denis Healey, the former Chancellor, emerged as the most popular successor to Mr. Callaghan among those candidates likely to stand. He got the support of 27 per cent of Labour voters interviewed against 20 per cent for Mr. Anthony Wedgwood Benn and 4 per cent and 2 per cent respectively for Mr. Peter Shore and Mr. John Silkin, who are considered in Westminster to be Mr. Healey's most likely rivals.

The same poll showed that in the event of a split in the Labour party, one Labour voter in four thinks that a centre party should be formed.

Actors strike over residual payments could spread to London

Technology may bring the curtain down

BY ARTHUR SANDLES

WITH GOOD reason, actors' and musicians' unions around the world are watching Hollywood's industrial problems with more than passing interest. For the same reason, broadcasting and film companies are viewing events with apprehension.

The basic cause of the Hollywood strikes is not a simple matter of pay, it is that thorny issue of the eighties—new technology. And what is happening now in Hollywood could easily happen later in London.

Technological advance is bringing into prospect, and in some cases fact, undreamt of avenues of entertainment and instruction — video discs, video cassettes and fibre-optic pay television among them.

The problem arises when, say, a one-hour film made for television, with pay rates negotiated accordingly, is a hit in one or all of the additional media. It would be quite possible, for example, for a BBC production of Hamlet, to sell a million videodisc copies around the world and be a great success on pay-tv in Atlanta. Should the actors and musicians involved in the production, be further rewarded for this success, or should the initial flat fee stand?

While the British unions have been negotiating terms to cover such cases for some time the Americans chose to see how the market developed first and then make their move.

From here we enter a world of percentages and of deep mistrust.

At best the U.S. production companies would like a deal which would leave them totally free of the administrative and financial problems of residuals. The actors and musicians would be paid a fee in the same way as the carpenters and electricians, and what happened after that would be none of their business.

On the other hand, the talent unions would like a high percentage of the returns. In the case of ITV in Britain the agreement already reached is that the Writers Guild, Equity and the Musicians Union set up a Videograms Rights Committee which receives a little over one-third of the net returns from any residuals. The committee then decides how this should be allocated (clearly the balance between actors, musicians and writers varies enormously from production to production).

The BBC has offered the unions 10 per cent. At the moment the American unions are being offered 3.6 per cent of the gross—the same percentage paid when old films are sold to television.

Key words in the argument are "net" and "gross." "Net" deals are notorious in the film industry and are avoided by the talent unions wherever possible. Recent accusations over hit television shows made in Hollywood have alleged that distribution and production costs were artificially boosted in order to make the figure at the bottom line as small as possible, and preferably a minus, so anyone whose contract specifies a percentage of the "net" ends up getting very little indeed.

For that reason American unions are much keener on a system whereby every dollar spent on a retail purchase of a video-disc or cassette means an immediate few cents for their members. British unions are more willing to accept the honour and reliability of the BBC's and ITV's accounting systems.

It is not as if small amounts of money are at stake. The BBC sees substantial returns from its massive stocks of entertainment, cultural and educational material. The Corporation could perhaps see a gross return of more than £50m next year from video-rights if it was free to release material to tape-maker 3M, with whom it has a manufacturing agreement.

At the moment the strike is proving extremely painful to both the domestic television industry and foreign users of Hollywood products and it looks as if a settlement could be a long time coming. After all, actors and actresses are used to working in restaurants and gas stations to supplement their income.

Import controls sought

FINANCIAL TIMES REPORTER

MOST BRITISH manufacturers want a return to selective import controls and compulsory pay restraint as orders drop, productivity falls and new investment becomes increasingly difficult to obtain.

A report published today by the London Chamber of Commerce and Industry says 60 per cent of companies in London and the South-East favour a statutory incomes policy—more than half call for controls in the public sector.

Nearly 60 per cent of manufacturing industry believes selective import controls are vital. Since March the number of UK companies reporting a decline in orders has risen from 27 to 54 per cent.

The Chamber predicts that by October 70 per cent of manufacturing industry will be reporting a fall in domestic orders, 60 per cent a fall in production levels and 40 per cent will have lost export orders.

Only 9 per cent of companies plan to increase staff levels, compared with 18 per cent in March.

Mr. Gabriel Irwin, who compiled the report, warns that if there is not an upturn in demand by October there will be another "wave of bankruptcies."

Medical insurance schemes grow

BY ERIC SHORT

MORE PEOPLE than ever are covered by medical insurance schemes, either through their employer or by taking out their own insurance, according to the latest membership figures from the three biggest provident associations.

These show that growth in both classes of membership continues at a high rate, reflecting the desire of many people to be able to use the private medical sector facilities should they fall ill.

More than 98 per cent of medical insurance business in the UK is transacted by three non-profit-making provident associations: the British United Provident Association, Private Patients' Plan, and Western Provident Association.

Their combined membership figures for end-June this year shows that members have increased by 13.7 per cent since 1979 to 1.47m. This continues the strong growth seen last year.

Since many individuals taking out medical insurance cover not only themselves but their families, the total number covered is about 3m.

Most of this growth came from company schemes, continuing the trend of the past decade.

Company medical schemes, with the employer paying most of or all the cost, is now widely recognised as an employee benefit. This is becoming applicable right through the work force, including blue collar employees, despite the TUC's total opposition.

The number of persons covered by company schemes rose by 19.5 per cent over the period to 961,732. BUPA showed the greatest growth rate, 21.2 per cent.

Its membership was boosted by entry on January 1 of 40,000 electricians in a deal negotiated by the Electrical and Plumbing Trades Union.

The other two provident associations showed steady growth in this sector.

The recent recovery in individual membership, after several years of steady decline, continued in the first half of the year.

All three associations recorded small but steady rises. By end-June numbers had risen 4.2 per cent to 507,250. Renewed popularity of medical insurance, despite the inflationary effect on premiums, reflects in part at least the continued problems of the National Health Service.

MEMBERSHIP AT JUNE 30, 1980

	Individuals		Group		Total	
	Number	% change since end-1979	Number	% change since end-1979	Number	% change since end-1979
BUPA	353,252	+3.9	756,954	+21.2	1,110,206	+15.1
PPP	138,916	+4.9	152,269	+12.9	291,185	+ 8.9
WPA	15,082	+3.6	52,509	+15.5	67,591	+12.6
Total	507,250	+4.2	961,732	+19.5	1,468,982	+13.7

Bright forecast for Dawson

BY RHYS DAVID, TEXTILES CORRESPONDENT

DAWSON INTERNATIONAL, the luxury knitwear and yarns group, can defy the problems of the rest of the textile industry and achieve a long-term growth rate of 8 to 9 per cent a year, according to a report by the brokers Laing and Cruickshank.

They also forecast an improvement in Dawson's profit this year from £18.24m to £20m, on sales up from £113m to £120m.

The report bases its belief in Dawson on the company's strong brand names, including Pringle and Barrie Knitwear, and its specialisation at the high quality end of the market in cashmere, lambswool, Shetland and more recently in Lamaine superfine wool.

It also says that the group, which in the past has made major errors in its attempts to diversify, has been considerably strengthened by its acquisition of John Haggars, the Yorkshire yarn-spinners, in January last year.

Other strengths of the group, according to Laing and Cruickshank, are a worldwide export market, with its main emphasis in developed countries; highly efficient production; and vertical integration from raw materials to finished garments.

The company has entered the present recession, the report says, with a strong balance sheet. Gearing has been transformed since 1974-75, when borrowings represented 92 per cent of equity assets, to a net cash position of 34 per cent of equity assets.

Mr. David Buck, author of the report, suggests that further acquisitions may be on the way for Dawson, which recently announced offers for £1.7m for McKinnon of Scotland and £1m for Henry Ballantyne.

The targets, he says, will depend on whether Dawson is anxious to expand into less expensive knitwear lines, deeper into the Scottish woven textile business or into Yorkshire wool textiles.

In knitwear a link with Corah, the Midlands producer, would enable Dawson to expand its involvement with Marks and Spencer.

In Scotland Dawson could be interested in SEET with its specialised interests in Harris tweed and tartans, or in parts of Allied Textiles, or Illingworth, Morris. In Yorkshire British Mohair Spinners and Allied Textiles are again suggested.

Oil-products futures market may bring stability

Refined role in wake of crises

BY SUE CAMERON, CHEMICALS CORRESPONDENT

FURTHER EVIDENCE that the world's major oil companies' power is waning came last week with announcement of plans to open a futures trading market for petroleum products in London next year.

The market, originally sponsored by the London Commodity Exchange, will be called the International Petroleum Exchange. Initially it will only trade in gas-oil, used chiefly to make heating-oil and diesel.

But backers of the scheme—many major oil and chemical companies are giving active or tacit support—hope to extend operations to other refined—oil products long term.

The idea for the market is not new. Several individuals, among them Mr. John Tholen, a former executive at Imperial Chemical Industries, pushed the proposals for years without success. Plans foundered because they lacked approval of major oil and chemical groups.

Big oil companies opposed establishment of a futures market in petroleum products partly out of aloofness, partly to defend their own influential position, and partly on technical grounds.

They were more concerned with production and sale of crude than with fuel-oil, heating-oil, diesel-oil, petrol, jet fuel and petrochemical raw materials made from it.

They viewed their refinery operations and their chemical subsidiaries almost as sidelines. The prospect of a futures market in oil products had no appeal.

Yet their oil-products businesses were not small. They were able to influence the product market individually and to dominate it as a group. Setting up a futures market could have undermined their power and was unwelcome.

But now their objections have been washed away in the wake of international oil crises, crude shortages, revolutions, fluctuating demand and the arm-twisting tactics of members of the Organisation of Petroleum Exporting Countries.

Oil-producing countries control production and sale of their own crude to a greater extent than previously. Often they bypass oil companies altogether by selling crude in direct government-to-government deals. The big companies were therefore forced to place greater emphasis on their oil-product operations.

The dramatic rise in oil prices made refining a more attractive business, anyway, because of the value it adds to crude.

But convulsions in the oil world in the past two years have also thrown petroleum-product markets wide open to comparatively small-time newcomers. Major oil companies lost the dominant position they held in particular products in particular geographical areas.

Demand for oil products in the West has fallen sharply because of the recession. This is hitting not only big companies but some oil-producing countries, too. Many of the latter reacted by insisting that if a company wanted to buy their crude it must buy some fuel oil, or other product, too.

One major oil group last week spelt out the impact falling demand has on refinery operations. It said many companies found it cheaper to buy products on the spot market than to make them. That way, others felt the worst effects of overcapacity, low demand and poor profit-margins.

But the oil majors must take a long-term view. The extent to which they can shore up weak trading conditions by reducing their refinery throughputs and going to the spot market is therefore limited. A main advantage of a futures market, on the other hand, is to defray risk.

Earlier plans for a petroleum products futures market centred on petrochemical raw materials such as naptha and benzene. Both of these come in a wide variety of grades and a successful futures market needs to trade in commodities that can meet tight specifications such as gas-oil.

Futures markets also need to deal in commodity tonnage products that are available in fairly small lots for sale purposes. Gas-oil again meets this requirement.

Naphtha — the major raw material for the petrochemical industry—tends, on the other hand, to be sold in cargoes of 10,000 tonnes or more. Some naphtha is also still sold on an in-house basis, with big oil companies dedicating most of their production to their chemical subsidiaries.

The new market is not expected to cover more than a tiny percentage of all the gas-oil that enters Europe annually. But this will not prevent it influencing prices. The present spot market covers only some 5 to 10 per cent of oil and oil-products sold but it can have a tremendous impact on contract prices.

Societies see their edge on banks eroded

BY ANDREW TAYLOR

THE ADVERSE impact of record interest rates and greater competition from banks on building aocieties' sbore of the mortgage and personal savings markets is clear from the first annual report of the Building Societies Association.

The report reveals the inroads made by the hanks in the provision of home loans last year. It olso shows bow sociaties' ability to raise finance to meet mortgage demand was impaired by sharp rises in general ratea of interest.

During 1979 the banks' share of the total mortgage market increased to 10 per cent of all net advances. The share of net advances made by building aociaties declined from 95 per cent in 1978 to 80 per cent in 1979.

Societies are likely to face increaaing competition from Britisb and some overseas banks which are planning to increase their share of hoth the personal sovings and the mortgage markets.

It is partly to meet this competition that societies have prepared a series of measures designed to restore what they regard aa an erosion of their competitive edge in terms of interest rates they can offer depositors.

Societies bave olready indicated that when the next general decline in interest rates occurs, they will he slower to reduce their own mortgage and deposit rates. Thus they have so far not responded to the recent 1 per cent cut in Minimum Lending Rate.

Plans are also well advanced for a new marketable bond which will carry floating rates of interest based on movements in wholesale money market rates, and will bave the added attraction to investors of being negotiable. It is hoped that the new-style term share will provide societies with a further sonrce of long-term stable finance.

Existing term shares, wbich are non-negotiable, have already proved a success. According to the BSA report, term shares accounted for nearly balf of all building society net receipls in 1979 and at the end of last year accounted for 13 per cent of total savings balances held by societies, compared with 9.9 per cent at the end of 1978.

Despite this, building societies' share of personal sector liquid assets declined from 47.4 per cent to 46.3 per ceot during 1979—reflecting the growing competition for funds from banks and other areas.

The building societies' total net receipts of £3.33bn last year were marginally higher than in 1978 hut a subatantial drop on the £4.7bn achieved in 1977.

Fewer loans

Of mucb greater impact on society funds last year was the shorp rise in the level of interest credited to depositora which savers opted to leave in their accounts. This source of finance haa been important in assisting building societies to maintain their cash lending despite a drop in monthly net receipts over the past six months.

The aharp rise in house prices last year meant that although societies advanced slightly more casb — £8.Shn agoinst £8.7bn — this financed only 715,000 loans compared with 802,000 in 1978. Recently the BSA forecast that individual loans in 1980 may total only 628,000.

The report also illustrates the continuing dominance of the top five building societies wbicb at the end of last year accounted for 55 per cent of the movement's total assets of £45.8bn. This compares with just over 50 per cent of total assets controlled by the five largest societies in 1970 and 37 per cent in 1950.

Building Societies in 1979—single copies available free from the Building Societies Association, 34, Park Street, London W1Y 3PS.

Electronics committee criticised by teachers

By Our Labour Staff

THE NATIONAL Union of Teachers bas criticised Mr. Mark Carlisle, Edncation Secretary, for appointing no state school teachers to a committee overseeing a £9m micro-electronics development programme for achoola

The NUT, the largest teaching union, said in a letter from Mr. Fred Jarvis, its general aecretary, to Mr. Carlisle, that it was appalled that primary and secondary schools were not represented.

The union said that of five external advisers on the committee, only two were teacbers —one from a pnblic school and one from a voluntary aided school.

Mr. Jarvis said the department's decision was directly contrary to recent exhortations by Mr. James Prior, Employment Secretary, for increased employee involvement.

The Department of Education and Science said yesterday that the committee was never intended to be representative. The development programme is to run for four years and aims to help young people make the hest of new technology.

TUC views on new Employment Act

Call for renegotiation of 'lost rights' of workers

BY PHILIP BASSETT, LABOUR STAFF

EMPLOYERS should negotiate new agreements with trade unions to guarantee workers the preservation of rights lost under the Government's new Employment Act, Mr. Len Murray, TUC general secretary, said yesterday.

Mr. Murray warned that only by renegotiating the rights lost under the terms of the Act would Britain be given a chance of solving its real industrial relations problems.

In particular Mr. Murray said the existing closed shops, whicb ore subject to tight recommendations in one of the codes of practice issued last week to accompany the Act, should be maintained.

If they were not, employers who were dragged into cases over such agreements were "in for some real headaches." The most obvious result of the Government's closed shop legialation would he the disruption of established collective bargaining arrangements, the undermining of the TUC disputes machinery, wbich did valuoble work in sorting out membership problems between unions, and the proliferation of new small unions at o time when the TUC recognised its present membership of 110 separate unions was too large and was trying to reduce it througb mergers.

Writing in The Sunday Times, Mr. Murray warned that "the employer could get hurt even more than tbe union" in closed shop disputes arising from the provisions of the Act and its accompanying code.

On picketing, which is covered hy the Act and another code of practice recommending restricting the number of pickets on any one line to six, Mr. Murroy said that though the controls would be tighter, tbey would not automatically make picketing more nrderly.

The code's provision io particular would create disputes between pickets and "the copper on the beot."

Mr. Murray declared that Mr. James Prior, Emplnyment Secretary, could not expect the TUC to police its own guidelines on picketing while he was using legol means "to clobber unions." Mr. Murray regretted tbat the unions would have to spend their time defending union members and officials agoinst legal action instead of enforcing its own guidelines.

He admitted that neither he nor his lawyers understood what the Government's provisions to limit sympathetic industrial action would mean in practice.

The detailed information of contracts between companies was usually not available to unions, so it was "highly likely that somebody is going to fall off this legal tightrope."

The abolition of Schedule II of the Employment Protection Act, which allowed for arbitration to determine pay rates in comparison with those of similar workers, had pusbed the unions "back into the power struggle with no civilised alternativea to industrial action."

● The Sunday Times said yesterday that the confidential Britisb Steel documents it had heen prevented from publishing by a Higb Court injunction came from the Iron and Steel Trades Confederation, the industry's largest union.

The documents were received anonymously by the ISTC. The injunction against the paper is binding until tomorrow, wben the case will be re-beard.

Observer responds today to new claim by print workers

BY PHILIP BASSETT

MACHINE MANAGERS at the Observer newspaper, wbich is threatened with closure in a pay dispute, today meet Mr. Joe Wade, general secretary of their union, the National Graphical Association, to hear the management's response to their reformulated claim.

It was thought likely this meeting would be at the weekend after Friday's talks between NGA national officials and the newspaper's management but it waa deferred until today. Mr. Wade said then tbat negotiations were at an extremely delicate, critical stage.

The management was understood to have decided on re-examination that the reformulated claim would cost, in terms of conseqnential demands from other unions, to be met, virtually the some as the original claim.

Machine managers yesterday repeated national union leaders' insistence that the proposals represented a further compromise on their part.

While the reformulation's details were not disclosed, they are understood to centre on some movement in the claim for payment for an extro bour at the end of the managers' Saturday night shift.

At present the shift runs from 4 p.m. on Saturday until 5 a.m. on Sunday morning. The managers have claimed £7.20 as a premium payment for working a further hour at the end of the shift. This was a sticking point in negotiations but it is understood that movement could focus in this area.

The difference between the two sides over the full claim is the gap between the management's offer of £100.13 for a shift on a maximum 64-page paper and the managers' claim for £108.03.

It appears that at last week's meeting between NGA officiala and the machine managers littla overt pressure was placed on the manogers to give ground to save the 1,000 jobs of other staff threatened by the closure.

The newspaper, which has maintained that to settle the original claim would cost a further £250,000 in consequential claims, bas sent dismissal notices to all staff hecouse of the dispute. It set October 19 as final publication date if no solution is found.

Four dead in Ulster 'anniversary' riots

BY STEWART DALBY

A WEEKEND of rioting and demonstrations to commemorate the ninth anniversary of Internment without trial in Northern Irelaod bas left at least four killed, 22 wounded and 24 arrested.

The central event in the anniversary commemorations was a march yesterday organised by the Provisional Sinn Fein, political arm of the Provisional IRA up the Falls Road to Andersonstown in the predominantly Catholic area of West Belfast.

The crowd of ahout 2,000, mainly youths sitting on rooftops and young mothers wbeeling habies in prams, listened to leading Repuhlicans from hoth the Repnblic and Northern Ireland calling for withdrawal of British troops, and speaking of the plight of Repuhlican prisoners in H-block in the Maze and Armagh Prisons.

Prisoners in the H-block bave been conducting a "dirty protest" about the refusal of the Government to give them "political" status. They have refused to wear prison clothes or to wash, and have smeared excrement on prison walls.

The speecbes were followed by some stone-throwing at two Army Saracen ormoured personnel carriers. Apart from helicopters, whicb were continually overhead, the Army kept a low profile.

There was a show of "force" hy the Provisional IRA. Two men in combat jackets and hlack halaclavas waved an M1 carbine and a Colt 45 pistol as speeches were made, then quickly disappeared into the crowd.

The next outburst of violence ia likely tomorrow when the Protestants have their Apprentice Boys' Marcb in Londonderry to commemorate the siege of that city in the 17th-century.

Enterprise zones under fire from Labour NEC

BY ROBIN PAULEY

ENTERPRISE ZONES are a political gimmick whicb will turn in the industrial alums of the 1980s, encourage a poor living and working environment, says a commentary by the Labour Party National Executive Committea published today.

The report claims that the idea of granting industry and commerce a range of financial incentives to set up within the experimental zone is, in fact, a new form of industrial subsidy to be paid by the taxpayer.

"The difference between this subsidy and the state intervention carried out not only by the Labour Party but elsewhere in Europe is that, without any controls or conditions, the ultimate beneficiary will not be the community at large but private capital.

"Large parts of the financial aids, such as freedom from rates, could find their way into the hands of landowners within the enterprise zones," the report says.

The Government has announced seven sites in Britain where zones are to be establisbed. Each will be a maximum 500 acres in size and will operate for an initial experimental period of 10 years.

They are at Belfast, Clydebank, Swansea, Speke, Manchester, Newcastle/Gateshead and the Isle of Dogs in London's docklands. Two more sites will be announced later, probably one in the Midlands and another in London.

Companies within the zones will benefit from:

- Exemption from development land tax;
- exemption from all rates on industrial and commercial property;
- 100 per cent capital allowances for commercial and industrial buildings;
- simplified planning procedures;
- exemption from the need for industrial development certificates;
- exemption from industrial training board requirements; and
- faster customs facilities.

Another problem suggested hy the report la that the enterprize zones strategy will lead to increased employment within the zonea at the expense of increasing dereliction in the adjoining areas.

"The artificial preference for these areas could, if the strategy is successful at all, lead to a concentration of certain activities on sites which would not be ideal on other grounds. Enterprise zones could become the dumping grounds of the inner city."

The Labour Party is also very worried about the relaxation of planning controls. Speedy production of plans and the large scope of automatically-permitted developments will decrease the amount of public participation possible in the preparation of the plan and the degree of control exercised by local councillors, the report claims.

The Government's view has always been that the zones are a very limited small-scale experiment in areas of severe inner urban dereliction and decline where all else has failed.

Building and Civil Engineering

£19m Norwest Holst awards

VALUE OF work just awarded to Norwest Holst companies is worth over £19.5m.

British Gas Corporation bas awarded a £12m contract to Norwest-Socea (a 50/50 joint venture between Norwest Holst Civil Engineering and Socea (Great Britain) part of the St. Gobain Pont a Mousson Group). Tbis covers the laying of 94.000 linear metres of 1.050 mm welded steel epoxy coated pipeline, with road, river and rail crossings between Coldstream and Corbridge in Northumberland.

Three contracts together worth about £3.3m bave been won by Norwest Holst Western, including a £2.3m contract for the construction of retail warehouses for Go-operative Retail Services' Leo's Homeware Gentre at Talbot Green, Mid-Glamorgan.

Other work in this total includes a £405.660 contract for Cwmbran Development Corporation for factory units, and over £½m for BP Chemicals for new stores and offices at Sully, South Glamorgan.

Included in £4m's wortb of work awarded to Norwest Holst Civil Engineering is a £1½m contract from the South West Water Authority for pumping stations and mains, replacement of foul sewers, storm sewage overflows and pipelines, surface water culverts and a flood storage reservoir at Totnes in Devon. Work has been started bere by another contractor but not completed.

This subsidiary has also won work for Northumbrian Water Authority (£824,000) involving coastal interception sewers of tbe Tyneside Sewerage Scbeme: a £382.000 job for Powell Duffryn Quarries for modifications to the stone handling facility at Colwyn Bay for re-routing the A55: Welsh Development Agency contract (£300,000) for bulk excavation etc . at Maesglas Industrial Estate: £192.000's worth for Mid Glamorgan Gounty Council: £488.000 for Merthyr Tydfil Borough Council: and an advance works contract for Welsh Health Technical Services Organisation on behalf of the Mid Glamorgan health authority.

Another company in the group, Robert McGregor, has been awarded a £93,000 project by the Warrington New Town Development Corporation for the construction of the Oakwood Gate footbridge at Warrington Northern Expressway Stage IV.

McGregor (Paving) has a £90.000 contract from the PSA for repairs to concrete aircraft pavements at RAF Wittering, near Peterborough, and Nott Brodie has received just over £1m worth from the Central Electricity Generating Board for the replacement of roadway surfacing, etc., at Berkeley Nuclear Power Station, Glos.

£2.2m flood prevention scheme

THE WELSH water authority bas accepted a £2.2m tender from A. Monk and Co. for undertaking the River Taff flood protection scheme in Gardiff.

Monk will be starting work on the river channel today along a 4 kilometre stretcb of the river between the Western Avenue and Penarth road bridges.

The site is bounded by a conservation area and flanked by urban development. Particular attention will be given to an immediate level of flood protection at Pontcanna Fields with some 83,000 cubic metres of embankment.

The scheme is designed so that, even while under construction, it will be able to help the existing defences to cope with adverse river flows causing flooding at present. Some 27,000 square metres of Fabriform concrete mattress is to be placed.

Gonsulting engineers are Sir William Halcrow and Partners.

Wimpey at work in Trinidad

MINISTRY OF Education and Culture, Government of Trinidad and Tobago, bas awarded an £11½m contract to George Wimpey (Caribbean) for pbase II of the West Park Stadium in Trinidad.

This involves the construction of an athletic and football stadium for some 20,000 spectators and will have reinforced concrete foundations and precast terraces with structural steel framework and roof. Work is expected to be complete in December 1981.

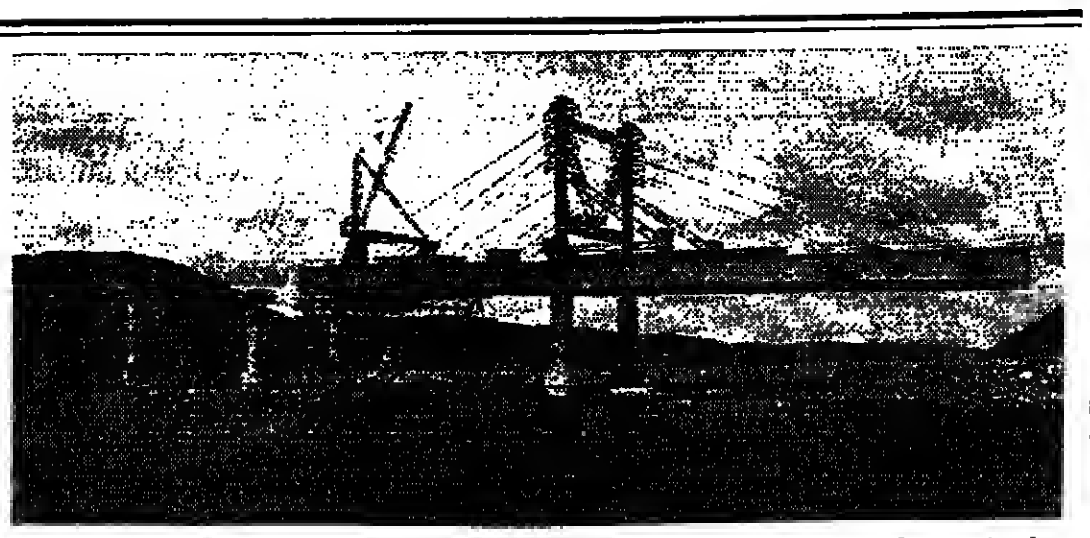
Back in the UK, Wimpey has won a £3½m contract for a commercial project at Harpurbey, Manchester, awarded by Associated Dairies.

This project, called The Harpurhey District Centre, calls for the erection of a superstore, secondary retail unit, offices, 14 shop units and 10 flats, totalling 11,900 square metres floor area.

The superstructure will be in structural steel frame clad partly in brick and partly in vertical asbestos slating. The shop units and flats are to bave loadbearing brickwork with pitched roofs.

Offices will be in precast concrete frame with brick cladding and pitched roofs, and the secondary retail unit is to bave a structural steel frame faced with brick.

Work commenced on the Manchester scheme last week, and is due for completion in July 1981.



Installation of temporary ropes is now well underway on Kessock Bridge over the Beauly Firtb near Inverness, Scotland. This 1,052 metre long bridge is being built for the Scottish Development Department by the Cleveland RDL Kessock Consortium which was formed by the Cleveland Bridge & Engineering Company of Darlington and R.D.L. (Contracting) of Bedford. British Ropes, a British subsidiary is supplying the temporary ropes used during erection of the structural steelwork and the permanent ropes for staying the 240 metre main span in the centre of the crossing. The ropes are of galvanised spiral strand construction and are being made at the company's Doncaster plant in South Yorkshire. Installation of the permanent ropes for the main span will take place in 1981. Joint consulting engineers are Ove Arup & Partners and Crouch & Hogg.

Steelwork ordered

ABOUT 4.700 tonnes of fabricated steelwork is to be supplied and erected hy Cleveland Bridge and Engineering, a Trafalgar House company, to French Kier Construction under a £3m contract.

The latter, as a main civil engineering contractor for the Gascoigne Wood Drift site of the National Coal Board's Selby project, is responsible for the civil works from the two main drift portals tbrougb to the final rail loading.

Gleveland Bridge is supplying and erecting the structural steel beyond the drift portals, including main structures and a covered stock yard.

Miller Buckley contracts

VARIOUS PROJECTS awarded to Miller Buckley are worth over £2m to the company and incinde major refurbishment and extensions at the National Physical Laboratory, Teddington, Middlesex, for the Property Services Agency, valued at over £650,000.

Other contracts are: £400,000 for construction of a new processing factory and office development for S. Baron of London E1: £700,000 for Plessey's refurbishment of an existing building at Ghristchurch, Hants, and a contract for the company's banker, National Westminster, said to be of substantial value at Washington, Tyne and Wear. This last project involves the construction of an office complex with ancillary facilities.

Nearly £5m to Sindall

MEMBER OF Sindall Group, Sindall Gonstruction, has announced three contracts with a total value of just under £5m.

Under a £2.3m contract awarded by the London Borough of Waltham Forest, the company is to build the Beaconsfield/McGuffie Higb School and Sports Gentre at Msrkhouse Road, Walthamstow.

Civic centre extensions at Hemel Hempstead for tbe Dacorum District Gouncil are worth £1.4m.

Last project is for Spillers-French Milling and involves extensions and alterations to Spillers Mill, Gambridge, at a value of £1.1m.

£3m Sir R. McAlpine award

NEALE HOUSE Properties (Glenrothes) has awarded a contract in excess of £3.1m to Sir Robert McAlpine & Sons to buitd a 100 metre square, 18 metre high, extension to the town centre development in South Street, Glenrothes, Fife.

The first 2000 cubic metres of excavation began earlier this month on the two hectares site, and completion in stages to accord with various fitting-out requirements is programmed for March 1982.

Projects in south-west

MOWLEM GROUP subsidiary, E. Thomas and Company of Ponsanooth has been awarded civil engineering and building work worth £2m.

Largest contract, awarded by Penwith District Gouncil, is to modernise 106 homes on the Gwayas Estate, Newlyn, at a price of more than £730,000, and involves rewiring and re-plumbing as well as re-roofing and installing insulating claddings.

This council has also awarded a £492,000 contract for the company to build a block of 21 flats at Gherry Gardens, New Street, Penzance.

Work on the Kenwith Valley flood alleviation project for Torridge District Council is worth another £350,000, and other jobs are for Guinness Trust, St. Ivel, Nalder & Son and English Industrial Estates Corporstion.

Pipes and fittings

ORDERS FOR concrete lined dnctile spun iron pipes and fittings worth more than £3m have been placed with Stanton and Staveley, part of Britisb Steel Gorporation, by the North Surrey Water Gompany and the Mid Southern Water Company.

In north Surrey, 20 km of 900 mm diameter pipes will link the water company's Egbam works with the Surrey Hill Reservoir of the Mid Southern Water Company wbicb, in turn is using a further 3.52 km of 1200 mm diameter pipes to construct inlet and outlet mains at the reservoir.

Road gritting machine

A PORTABLE gritting macbine wbich can be slipped inside any 7/8 ton converted tipper truck body has been developed by Gotswold Roller Hire, Station Works, Weston Road, Bretforton, Evesham, Worcs. (0386 830354).

Gompared with a traditional specially constructed gritter vehicle, comprising cab, cbassis and hopper of similar capacity, whicb may only be used occasionally, this machine will save up to two-thirds in price and is also more economical in use.

The self-powered prototype has a Robin four-stroke petrol engine and is mounted on a Leyland Gomet 16-ton gross tipper cbassis and bas been designed as a drop-in skip to be used by council or sub-contractor vebicles of 7/8-ton capacity or more without any modifications.

Because it is self-powered, a vehicle fitted with a power take-off is not required, and the maker claims that the Cotswold gritter is the only British made unit fitted with an auger rather than a conveyor belt to feed the spinner. Speeds of auger and spinner can be individually controlled for economy.

The gritter unit weighs one too and the hopper bas a capacity of 7 tonnes; tbe Robin engioe is fitted with an electric starting device for ease of operation, and the unit can be quickly fitted and used as required in any suitably-sized tipper body without the need for modifications.

Big job in Abu Dhabi

WORK has begun on site on the new head office building for the Emirates Gommercial Bank in Abu Dbabi.

The development is a 10-storey building with car parking on the lowest floor, two-storey banking accommodation, six floors of offices and a top floor of luxury penthouses. Construction is in reinforced concrete with piled foundations.

Tbe main contractor is Zappia Construction and consulting engineers for the project are Mancbester-based Brian Moorehead and Partners.

Malaysian state looks ahead

JUST COMPLETED by Hunting Tecbnical Services in association with Huszar Brammah and Associates, Peter Fraenkel and Partners and P-E International Operations, is a comprehensive regional plan for the Malaysian State of Sabah up to the year 2000.

The Perspective Plan Report, concluding the first pbase of the study, was concerned with the development of alternative strategies (up to the year 2000), for tbe main prodnctive and service sectors of the economy, and with the identification of potential projects for economic and financial appraisal.

Second pbase of the study concluded in the preparation of the Development Plan (1980-2000) wbich put forward recommendations for long-term development and spelt out the macro-economic, sectoral, locational and institutional implications.

Tidal flood defence

A CONTRACT valued at £2.4m has been won by Mears Contractors for Thames tidal flood defence work at Gravesend, Kent.

Awarded by the Southern Water Authority, the 15-month contract, scheduled for completion in November 1981, involves protecting a number of private frontages. Called for are reinforced concrete retaining walls, steel sheet pile walls, flood gates, a surface drainage system and ancillary works.

At Banbury, Oxon, Mears is to build single storey warebouses for Prometheus Appliances under a £235,000 contract.

Warehouse work

FURTHER INDUSTRIAL/commercial contracts in Yorkshire and Lancashire are worth about £1.3m to J. and J. Fee of Soutbowram, Halifax, member of the Fee Group of companies.

Work includes a new warehouse in Leeds for Sheffield Insulations; and at Bury, warebouse units at Bridge Trading Estate, and a job centre and offices. Both of these latter schemes are for House Of Orange Developments of Harrogate.

Awards to Walter Lawrence

WORK JUST announced by the Walter Lawrence Group is worth over £1m and includes three contracts with a combined value of over £800,000 for construction work at RAF Stations Woodbridge and Bentwaters.

The first project is worth over £½m and involves a fuel systems maintenance dock at Woodbridge. Alterations to the airmen's mess at Bentwaters is valued at £200,000. Final job in this group is valued at over £144,000 and is for a reserve fire team facility at Bentwaters.

Buries cables in sea bed

AN AUTOMATIC trencbing machine for burying power cables and flexible pipelines underwater has been designed and built by Tecnomare, whicb bas links with Italian group ENI, knowo as the TM-402, the machine is claimed to operate in depths down to 160 metres and to be capable of digging trencbes in varying seabed soil conditions.

It can be operated automatically or, wben required, under remote control from tbe surface througb an "umbilical" cable. Total weigbt on the seabed is 13 tonnes (22 tonnes on land) and a maximum dredging depth of 1.5 metres is claimed. Maximum forward trenching speed is said to be 400 metres an bour. Various types of digging tool are available to suit different seabed conditions.

Since the macbine is unmanned under water, a remote control system on board tbe surface support vessel provides either automatic operation, througb a process computer and a video display panel, or manual guidance using information from the instruments fitted on the underwater vehicle.

Tbe auxiliary equipment, including tbe 200 bp diesel-electric generator set, weighs about 50 tonnes and requires a deck ares of about 400 sq. metres.

IN BRIEF

● Halifax Building Society has placed an order with the Percy Lane Group for Planet solar collectors for its new office block being built at Huddersfield.

● Amey Roadstone Gonstruction bas won contracts worth over £1m from the Property Services Agency for three airfield contracts. These will be at RAF bases Upper Heyford, Oxon., Lynebam, Wilts., and Bentwaters, Suffolk.

● Two industrial buildings bousing training facilities for the aviation industry are being built at Crawley, Sussex by Y. J. Lovell (Southern) for Slough Estates Design and Gonstruction.

● British Gas says that work is to start on the second pbase of the new major bigh pressure transmission pipeline currently being laid in Scotland to handle additional supplies of gas from tbe North Sea.

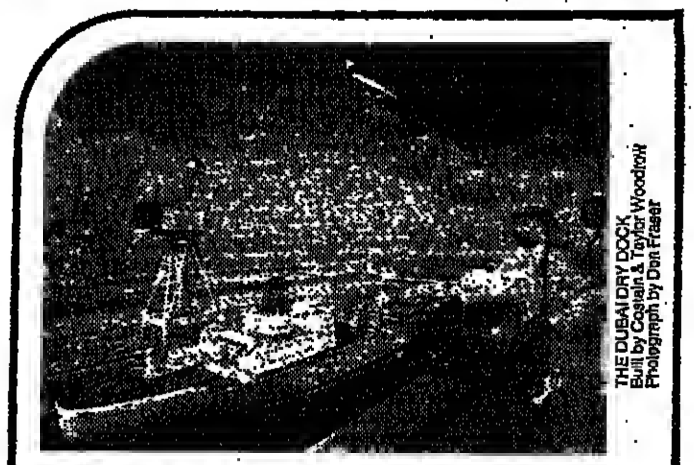
● Degremont Laing has won a £700,000 contract for the design, supply and erection and commissioning of the mechanical and electrical equipment for a sewage sludge anaerobic digestion plant at tbe Bury Sewage Treatment Works.

● Merlin Gerin, continuing its collaboration with the Abu Dhabi National Oil Company (ADNOC), has received further orders for the electrical equipment needed in the Zakum offsbore installation and the refinery and gas separation unit at Ruwais, an area which is to be extended to cover a variety of industries and accommodation for their workers. No details of values have been given but to date ADNOC contracts with Merlin Gerin amount to FFr 70m of which FFr 15m was won last year.

● Farrow (Northern) bas a £700,000 contract from Warrington Development Gorporation to redevelop the site of a former munition store to provide 28 mini-factories.

● Glazing contracts together worth about £¼m have been awarded to the Oxford and Milten Keynes brancbes within the eastern division of James Glark and Eaton and include 2,000 solar controlled sealed double glazing units for the new Joint European Research Gentre at Culham, Oxon.

● Permanite says that its roofiog and waterpreofing materials products are to be made available off-the-sbelf throughout Saudi Arabia following a link-up with Ba-Abbad Trading Establisbment which has branches in Riyadh, Jeddah and Dammam, as well as in North Yemen and Kuwait.



MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

A health hazard appears before your very eyes

A NEW health hazard is rearing its ugly head in the office. The ubiquitous video display unit — the keyboard and television screen connected to a computer — is considered to be potentially damaging.

And if the use of computer terminals grows at the rate which some pundits would have us believe, it is a health hazard to which increasing numbers of the population will be exposed.

In the U.S. more than 1.6m video display units (VDUs) were in use last year and the number is expected to increase dramatically in the near future. Again in the U.S. many top executives run their own personal computers in their offices. VDUs, therefore, represent a health hazard to all ranks of worker.

In the past there have been several scares about possible risks of ionising and non-ionising radiation being emitted from the screen, particularly because operators sit only a few feet away, and for much of the working day. But no proof has been found.

However, a survey conducted in the U.S. has found that VDU operators suffer far more than do other colleagues from a wide range of health problems and stresses.

The study, conducted by the National Institute for Occupational Safety and Health, looked at three major sites where there were a number of operators using VDUs and compared them with other workers on the same sites.

A much greater number of the VDU operators suffered from eye strain, blurred vision, irritated eyes, sore shoulders and wrists and hand cramps than did the other groups with whom they were being compared.

Not only that, in all three sites the VDU operators reported more general health complaints than did the control groups. They also seemed to suffer more noticeably from stress and reported irritability, depression and anxiety.

The National Institute for Occupational Safety and Health study — which is still in draft form — found that the use of the VDU alone was not the sole cause of higher stress and health complaints from the users. It found that the different working conditions, reflected in the amount of control the operators had over their jobs, was a marked factor.

In other words, those operators who worked to high production demands and tight deadlines, but had a great deal of control over how these demands were met, reported a lower level of complaints about their jobs.

On the other hand, where work was carried out under pressure at a fast pace and it was boring or repetitive, and where the operators had little control over how it was done, more stress was caused.

The study suggests that ergonomic solutions to improve the design of work stations — as academics are given to call the place where a VDU operator works — and which might solve problems like eye strain, pains in the neck and shoulder and sore wrists, are not enough.

It concludes that any ergonomic solution must be supplemented with a proper design of the actual tasks which VDU operators are to carry out if they are not to go on suffering from more illnesses and stresses than workers in conventional jobs.

Jason Crisp

Business courses

Office of the Future, Brussels. September 3-5. Details from Management Centre Europe, Avenue des Arts 4, B-1040 Brussels, Belgium.

Developing Skills in Problem Solving, Henley-on-Thames. September 1-5. Details from The Administrative Staff College, Greenlands, Henley-on-Thames, Oxfordshire RG9 3AU.

Companies Act 1980, London. September 26. Details from Charterhouse Management Courses, 23/24, Old Bailey, London EC4M 7PG.

How to buy and use a Microcomputer, London. September 28. Fee: £85 (plus VAT). Details from British Institute of Management Foundation, Management House, Parker Street, London WC2B 5PT.

Lee Cooper—a jeans maker legging it around Europe

Arnold Kransdorff on a UK textile group which chose to manufacture largely abroad

HAROLD COOPER is becoming increasingly reflective about his successes and failures as retirement approaches. Aged 63, he has spent his entire working life in the textiles business. He has seen the industry swing from dizzy heights to near rock bottom, and then back again. At the moment it is at a cyclical low with both manufacturers and retailers falling thick and fast as the recession deepens.

But Cooper is far from unhappy; in fact he has every reason to be positively smug. For 34 years he has presided over a family company whose profits climbed steadily before mushrooming in the last decade.

Its average rate of profits increase over the past five years has been 65 per cent a year, with margins rising progressively to more than 13 per cent in 1979. Over a 10-year period profits have rocketed by well over 1,000 per cent to more than £9m on sales of £70m.

The company's share price has been equally impressive. Over the last decade it ranked fourth among the best-performing shares on the London Stock Exchange.

The company is the Lee Cooper Group, and its business is jeans. It is unusual in that although UK-based, its manufacturing units are located almost entirely overseas, from where more than 90 per cent of group profits emanate. Equally unusual is that the company, which went public in 1959, has achieved its impressive growth exclusively from using retained earnings and borrowings and without recourse to new cash from shareholders.

"We have never had a rights issue and don't have one planned for the foreseeable future. I have always believed in regenerating our profits," says Cooper.

This approach to financing reflects Cooper's conservative nature and probably helps account for the fact that other major jeans manufacturers have achieved even better growth records over the same period.

In spite of this Cooper has only one regret—that in the UK, unlike elsewhere in the world, he did not invest in the best people soon enough. "In this country Lee Cooper was effectively a one-man band—me. I now realise how stupid I was not to bring in top people years ago." He also reflects wistfully that a former employee, Alan Landau, is now boss of Falmers, an arch UK competitor with a slightly bigger British market share.

Among the branded producers Lee Cooper ranks about fourth or fifth world-wide in terms of unit sales after such companies as Levi Strauss ($2.1bn turnover in 1979), Wrangler and H. G. Lee, all U.S. companies.

(There is no connection between H. G. Lee and Lee Cooper. The "Lee" in Lee Cooper is the maiden name of Harold Cooper's wife.)

In the UK, where demand for jeans is about one pair per head per year (less than half the U.S. rate), the rankings are slightly different, but U.S. companies still dominate the market. Levi Strauss has the firmest foothold with nearly a fifth of the market followed by Wrangler with just over a tenth; Falmers, a private manufacturer, follows with about half that amount and Lee Cooper and Marks and Spencer each have slightly less than 5 per cent.

Although Lee Cooper is dwarfed by its U.S. rivals it nevertheless is still a significant force in the international market place. It produces about 12m pairs of jeans a year, mainly for the European market.

The company's origins go back to 1908, when it was founded by Cooper's father, Morris. In those days it produced workwear, mainly overalls. It never made much profit, and when Harold Cooper stepped into the driving seat in 1946 after wartime service in the RAF, it was a small loss-maker, in spite of some useful military contracts.

At the time the company made a substantial amount of merchant navy clothing; because of this, it was given a "favourable" allocation of denim clothing during the rationing period after the war.

In those days coupons were necessary to buy articles of clothing. "The working man had to be encouraged to work, so the Government stipulated a low coupon rate for workwear," Cooper recalls.

Roger Taylor

Harold Cooper: "Jeans are a greater leveller of society than even Wedgwood Benn."

"So work trousers suddenly became very popular and men started wearing them during their leisure time. They also liked them tight-fitting to show off their manhood. It was the beginning of the sexual revolution."

Since then the popularity of jeans has exploded, cutting across both class and age barriers. "At first the market was confined to young people, but those young people have continued wearing them into their 40s. Jeans have been a greater leveller of society than even Wedgwood Benn," he adds.

Over the years the jeans market has proved to be particularly resilient to recession, unlike other textile products. Current worldwide sales are showing some weakness but Cooper attributes this to bad weather rather than any underlying slump in consumer spending.

"I was always a bit of an idealist about the EEC. Rather than export I thought it better to manufacture in Europe, which has now become our hunting ground," he says. So, initially, Lee Cooper started up manufacturing units in Holland, France, Denmark, Italy, Belgium and Switzerland. "We tried to manufacture in Germany but didn't do it properly. We haven't gone back because it would cost too much now."

Today, Lee Cooper has rationalised manufacturing capacity into five countries. The largest factory, capable of producing 12,000 pairs of jeans a day, is located in Tunisia. There are also three plants in France, two in the UK, one in Denmark and another coming on stream in Greece.

In addition the company has licensing agreements in Japan, Australia, Iceland, Yugoslavia, Finland, Jordan and Greece. Cooper hopes to add another Eastern European country to the list "in a few weeks."

Aggressive

This part of the operation is relatively new. To date, royalties just cover costs. Cooper predicts that licensing will become increasingly important to the business. "In less than a decade royalties could account for a fifth of group profits," he says.

Apart from the licensing deals, Lee Cooper's marketing strategy is to sell direct to retailers. This is normal practice for branded jean manufacturers. A heavy emphasis is placed on design and quality control, with the back-up of aggressive marketing. "Jeans are one of the few clothing items, apart from shirts, that are branded, so advertising is very important." Worldwide the company's advertising budget is about £4m a year, of which about £700,000 is spent in the UK.

For the future Cooper continues to be bullish about jeans. "Over the past 30 years I've been asked how long it can last. I've always been optimistic. I continue to be so."

He bases this on a number of factors. In the first place the communist world and much of the developing world is still largely untapped. Secondly he believes that customers will not stop wearing jeans as they get older, and the market will therefore continue to increase.

As far as Lee Cooper is concerned, he believes it will be able to increase its market share at the expense of non-brand manufacturers. "Two or three years ago a manufacturer's exhibition would attract around 200 companies, most of them producing non-brand items. Today a similar exhibition only attracts around 60, which illustrates how branded merchandise is becoming more important."

To back up this expected growth Cooper is allocating £7m of capital expenditure for 1980-81. This will provide a warehouse and another manufacturing unit in France. The Greek factory is expected to be in production by the end of the year, while one of the UK factories could increase capacity if required.

"Beyond that we have nothing on the drawing board, but it does not take long to set up a factory. If we need extra capacity we can always use subcontractors as a stop gap."

Meanwhile, the short-term outlook is restraining the company's track record on the Stock Exchange, and the shares are currently 38 per cent lower than the peak level of 225 in 1979.

Apart from trading factors, Lee Cooper has two other impediments to cloud the profit and loss account — the strength of sterling and its relatively high level of gearing.

The former is critical as almost all profits are earned overseas. The company calculates that had the pound not strengthened, 1979 profits would have been more than a tenth higher at around £10.2m pre-tax.

As for borrowings, they have traditionally been maintained at around 75 per cent of shareholders' funds, but this has jumped because softer demand has pushed up stock levels. Fortunately, most funds are raised outside the UK, where interest rates are lower. This might encourage the company to reconsider its policy towards funding future growth.

Such a move would certainly have the support of the company's 1,000-odd outside shareholders, whose dividends have been restricted over the years by the extensive use of retained profits. They hold roughly half of the £4m issued share capital, the balance being held by Cooper's family interests.

Cooper agrees that the current year's profits are unlikely to show the level of increase shown in recent years. "I'm not going to stick my neck out save to say that we're not going to have a bad year."

As chairman he will stay at the helm for another year or two. Thereafter the company's destiny will probably be in the hands of a Frenchman, M. Pierre Pouillot, the deputy chairman and managing director.

With all that momentum behind him there is no reason why he should not be able at least to maintain the group's position as the largest non-U.S.-based manufacturer of branded jeans in the world.

Technical News

EDITED BY ARTHUR BENNETT AND ALAN CANE

● ENERGY

One-bladed airscrew power idea

WIND POWER is clearly being taken seriously by Messerschmitt Bolkow Blohm of Munich; this West German company has been working since 1978 with the Federal Ministry of Research and Technology towards the design of very large wind generator called Growian II.

Growian is an acronym for Grosse Windenergie-anlage (large wind energy installation). It will have a single 75 metre long blade, counterbalanced, with its rotational axis about 120 metres above the ground. The blade will be constructed from fibre-reinforced plastics and the single blade configuration has been chosen since, for suitable speeds and airflows the lateral blade dimension will be seven metres at the end, giving good stiffness and strength.

The blade will turn at about 17 rpm and is to be connected to a five megawatt generator about the size "of a comfortable detached house." Power output will be sufficient for 400 to 500 houses and the fuel oil equivalent burnt in a power station will be about 6,000 tonnes annually.

Messerschmitt has had considerable experience in helicopter blade design and gives as another reason for the single bladed design the fact that problems of symmetry in such a large unit will not arise.

The blade will begin to turn in a force 4 wind (11 m/s), and rated output will be available at 11 m/s and 17 rpm, this speed then being held by varying the pitch until the blade has to be feathered in very high winds. In this condition however, it will stand up to winds touching 60 m/s, the highest measured or estimated to date.

Apparently the designers see fixed high velocity winds as much less of a problem than sudden gusts or calms and this is still under design consideration.

A model scaled down 3:1 is to be built at Bremerhaven before the end of next year, yielding knowledge, it is hoped, for the final design.

More from the German Research Service, Ahrstrasse 45 (Wissenschaftszentrum), Postfach 205006, D5300, Bonn 2.

● PROCESSING

Getting the right design

POOR operational efficiency of process plant can be eliminated even before production begins, according to the Design Audit Group, a subsidiary of British Steel Corporation's Tubes Division. The group has developed a technique for the preliminary vetting of new capital equipment to ensure that the design, as offered by the main contractor concerned, is capable of achieving the required output over the entire working life of the plant.

This technique is claimed to have been adapted from the United States National Aeronautics and Space Administration's space programme review system, which uses advanced reliability modelling packages to ensure not only that the total system has maximum reliability but that the failure of one component will not wreck the mission.

The Design Audit Group claims that comparable audits carried out in the process industry so far have spotlighted many design weaknesses which would have led to costly delays.

First, a team of engineers of various disciplines and economists is assembled to examine the equipment and plant layout. Then the team decides if the design as offered is likely to achieve the rated output. If a shortfall in output is predicted the team suggests changes in equipment design, plant layout or maintenance schedules.

The audit, which takes a few weeks to complete, cuts the total project time by having all the specialists available when they are needed. Project management can therefore concentrate their own energies on ensuring that the plant is completed on time and within the agreed budget.

The Design Audit Group is based at 1 Union Street, Kingston-upon-Thames, Surrey (01-549 7411).

● INSTRUMENTS

Clamp-on voltage meters

ONE DIGITAL and five analogue clamp-on current and voltage meters are offered in a new range from Eagle International, Heather Park Drive, Wembley HA0 1SU (01-902 8832).

The model PK 210 for example, is able to measure up to 3,000 amps for short periods: it has six current ranges starting at zero to 10 amps full scale and increasing in 10 dB steps in accordance with IEC recommendations. Voltage range are 300 and 600 fsd. Range selection is by means of a single selector knob, and the accuracy is said to be better than +2.5 per cent.

Jaws of the meter, operated by a single lever, are able to encompass cables of diameter up to 54 mm.

● MATERIALS

Insulation board

A RECENT addition to the Royal Institute of British Architects list of approved products is Kay-Cel insulation board, which is claimed by the manufacturer, Kay-Metzeler, to be almost impermeable to water. Even when soaked in water, any increase in its thermal conductivity is said to be minimal.

Kay-Cel board insulates a wall to Building Regulation standards without totally filling the cavity between the courses, thus leaving an air space to prevent the passage of water. The material is supplied in a range of standard sizes and thicknesses and can also be used as a dry lining for roofs or as underfloor insulation.

Details from Kay-Metzeler, 16-18, Robert Way, Wickford, Essex (03744 5478).

Making it stick

A RANGE of adhesives claimed to be suitable for use with a wide variety of wall coverings has been developed by the building products division of Industrial Adhesives, Moor Road, Chesham, Bucks (02405 4444).

The new adhesives, Indatex SE 1528, 1529 and 1538, are claimed to have a high resistance to mould growth. They are supplied in quantities from 1 to 200 litres.

● RESEARCH

Keeping the barnacles at bay

SURFACES OF ships and boats are vulnerable to fouling by barnacles and green slime, and the conventional means of controlling these hazards has been to mix poisonous chemicals (such as ordinary garden herbicides) into the paint applied to crafts' surfaces.

Drawbacks with this method are twofold: firstly, the toxic chemicals quickly percolate into the water (some herbicides are even soluble in sea water) and subsequently become ineffective against the slime; secondly, the modern anti-fouling coatings presently used can be poisonous to man when they are being applied.

Research into a more effective and safer means of controlling algal slime has been directed by Dr. A. Williams, senior lecturer in chemistry at the University of Kent. His work has been aimed at providing the necessary information to enable the manufacture of a new form of marine anti-fouling paint which has a working life of controlled length and which can be coloured in the normal way.

Dr. Williams and his team have now devised a method whereby chemicals known to be deadly to barnacles and green slime are incorporated into marine paints in a method which does not just mix them together, but chemically combines within the molecular structure of the paint itself.

Thus, says the university, by using advanced techniques of organic chemistry, the chemicals—or toxin—and the paint will become almost inseparable and should overcome the problem of rapid "leaching" (percolation).

Important considerations in the research has bee nensuring that this chemical link is balanced in such a way that a sufficient amount of the toxin will be released to keep the surfaces of boats slime-free, but for the rate of the release to be controlled so that it remains effective for a much longer period.

On the basis of results achieved in the university's chemical laboratory over the past 10 years, it has been possible to tailor the molecular architecture of the paint to keep the leaching rate at an optimum level. Another advantage of chemically combining the toxin with the paint will be that the short-term hazards of applying the paint will be removed.

Further information from either Dr. Williams at the university's chemical laboratory, Canterbury, Kent (0227 66822, extension 693), or Roland Hurst, The Registry (extension 256).

● ELECTRONICS

Assists circuit board assembly

TO HELP in the correct insertion of components into the drilled holes in printed circuit boards several systems exist which project a 35 mm film strip or beams of light on to the surface of the board.

Now, Markria Electronics of 1, Queensway, New Milton, Hampshire, BH25 5NN (0425 618707) has developed a software-based system which makes use of projected images from the face of a cathode ray tube.

An important advantage of the technique is flexibility; if new or modified boards have to be assembled the projected images can be re-progammed in a much shorter time than that taken to expose a new film and have it processed. The inconvenience and time consumed in finding a particular frame to do a check is also removed: any frame can be brought up on the CRT by button depressions.

Programming is achieved using an alphanumeric keyboard with positional cursors and the program for assembling a particular board is built up in much the same way as for a film strip. The programmers can call up circuit elements, position them by projection on to an actual board, and then freeze them in semiconductor memory.

When all the components have been assembled, alphanumeric instructions can also be added to each frame which, during assembly will tell the operator exactly what to do.

During the programming procedure, all the data assembled is held on random access memory so that second thoughts can always be incorporated. When all is decided, the complete program of up to several hundred frames (dependent on content) is committed to electricall programmable read only memory. It can then easily be copied for use on other work stations. However, alterations can also be made by putting the program back into RAM, affecting the changes, and then producing a new final memory module.

The workstation is only 2 ft x 5 ft in size, can be carried through normal doorways and takes its power from a normal 13 Amp socket.

COMMUNICATIONS

Streamlines message handling

ANOTHER MAJOR UK company has cleaned up its message communication system with a processor-based message switching system.

The equipment, put in by Format Communications for the Legal and General Assurance Society, will not only streamline message preparation, handling and routing but has also reduced the number of leased Post Office lines to serve the various locations from 13 to five.

Five centres are linked by the network, at Milton Keynes, Hove, Southgate in North London, Kingswood, Euston and Queen Victoria Street, London, the communications centre).

Apart from applying the acknowledged advantages of store and forward systems—holding a message until it can be sent if a line is busy, queuing messages in priority order, making best use of lines, etc.—this particular equipment, MRS100-16, makes use of visual display units with keyboards which, as well as making message preparation simple, also allow word processing to be carried out.

One outcome of deploying the system is that L & G now has a single telex number instead of one for each location. Outgoing messages are prepared locally and then sent to Queen Victoria Street for transmission via the MRS100. Incoming messages are sent direct to the proper locational address. The system can also easily take off messages with multi-addressing, and some 3,000 codes of frequently-called numbers can be stored in the machine's "library" to simplify addressing and routing.

A careful watch can be kept on traffic loads and costs because the system provides daily and monthly statistics. Messages sent via the public network can be itemised and internally charged. At the end of each month a summary can be provided.

For communication in different time zones, a useful facility of the MRS100 is unattended operation; messages can be prepared during office hours and sent in the middle of the night if necessary.

Format Communications is at Cowley Mill Road, Uxbridge, Middlesex (Uxbridge 30678).

LOMBARD

A time to look at vacancies

BY SAMUEL BRITTAN

THE level of unemployment sustainable without ever-increasing inflation has risen dramatically since the 1960s. A chart of vacancies shows a much happier picture. But is it to be believed?

The number of vacancies has fluctuated in the past two decades between 100,000 and 300,000 with no tendency to decline. A "Phillips curve" relating inflation to vacancies, instead of to unemployment, goes from south-west to north-east. More vacancies are associated with an increase in the inflation rate.

The picture is close to what one might expect theoretically. There is a short-term Phillips curve, showing a trade-off between vacancies and inflation changes. But in the long run there is no relation, with the Phillips curve being vertical and inflation determined largely by monetary forces.

An article by Derek Robinson and Bridget Rosewell in the February 1980 Oxford Bulletin of Statistics suggests that vacancies give a falsely reassuring picture. The authors investigated employers' practices in Banbury, Oxford and High Wycombe and found large differences in the proportion of vacancies registered.

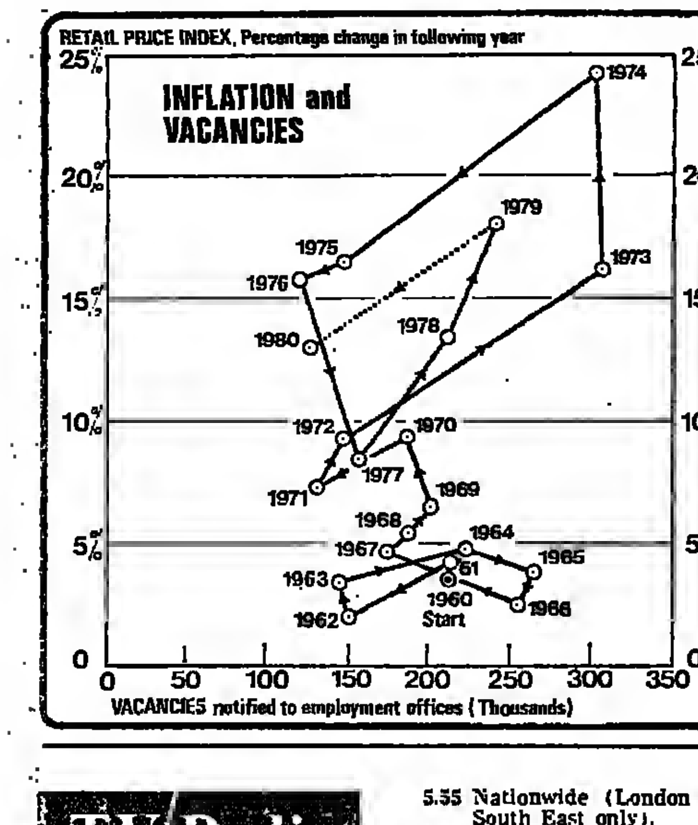
Banbury had the highest unemployment rate and the highest proportion of vacancies registered. High Wycombe was the opposite and Oxford, of course, the happy mean.

This leads them to suggest that when unemployment is high, employers bother to register a larger proportion of vacancies with employment offices as there is more chance of their being filled satisfactorily.

In a sense we always knew this. For reported vacancies are much too low in relation to unemployment, to job placements and to the size of the economy. Using them for economic information is like looking through the reverse end of a telescope.

But for all these qualifications vacancies remain a more up-to-date and reliable guide than unemployment. The economic overheating, the import upsurges and the wage explosion of years such as 1965, 1973 and 1979 would not have come as a surprise if policy makers had been looking at vacancies: and it is to these I shall be looking for the first signs of upturn in the demand for labour.

Government economic strategists expect this to happen in the autumn of 1981. It could be even a little earlier.



Patents battle that could become a war

REPRESENTATIVES OF 32 western pharmaceutical companies returned recently from Yugoslavia full of gloom and foreboding. They attended a seminar on co-operation with the Yugoslav pharmaceutical industry, organised by Business International, a U.S.-based information enterprise. Reluctantly, they have had to admit that prospects of such co-operation are very dim.

This was not due to hostility as such but rather a lack of understanding on the part of the Yugoslavs of the constraints under which western research-based pharmaceutical companies operate.

Belgrade

The meeting was concerned with the interpretation of two pieces of legislation already adopted — the Marketing of Medicines Act, 1976, and the Long-term Co-operation Act, 1978. The foreign participants also inquired about the Patent, Trademark, Model and Design Bill which, if adopted, would put an end to the conventional protection of these properties in Yugoslavia.

Over the past year, reassuring rumours were reaching London that the legislation already adopted would be interpreted in a way which would make business possible, and that the Patent Bill might never be adopted in its present form. The Belgrade meeting made it clear that any hopes of a reasonable interpretation of the two statutes already adopted were a product of wishful thinking. They were also told firmly that the patent Bill now being considered by a parliamentary committee, will not undergo any fundamental re-drafting.

The 1976 Act has been interpreted by Yugoslav Authorities as meaning that to obtain registration of a drug the Yugoslav organisation must in every case be the owner of the trademark, and not merely a licensee. The practical result is a violation of the Paris Convention requiring equal treatment to trademarks owned by nationals of other member countries to those owned by a country's own nationals: foreign pharmaceutical companies can no longer license their trade marks in Yugoslavia.

As trademarks for drugs are licensed always in connection with transfer of know-how, the provision of the 1976 Act should be considered in connection with the Co-operation Act of 1978 under which the Yugoslav companies must have the right to export world-wide, with the sole exceptions of countries where the licensor has his own factory.

The combined effect is that the Yugoslav organisation can compete with the licensor in his own markets, using either his own trademark or a trademark whose goodwill was developed with the help of the licensor and his research. In both cases the Yugoslav enterprise is free to change the quality of the drug, and in this way confuse the medical profession and possibly bring the original product into disrepute.

The Long-Term Co-operation Act makes all co-operation agreements subject to approval, and this may be given only if the agreement satisfies a number of conditions which ensure

BUSINESS LEGISLATION

BY A. H. HERMANN

that the Yugoslav party has all the advantages. The foreign licensor must undertake to supply the Yugoslav party with all improvements to the know-how obtained during the validity of the agreement, but he must not impose any secrecy obligation extending beyond three years after the termination of the contract. After that time the acquired technology may be sold to other parties. If a contract is terminated prematurely, "through a fault of the foreign party," the transferred technology remains in Yugoslav ownership.

The foreign licensor is obliged to guarantee the supply of raw materials or intermediate products but he must not insist on being the only supplier. He must guarantee that the aims of the co-operation agreement will be achieved within the agreed time and accept liability for all damage which the product might cause to its users and the process to the environment, but he may not have any control over the operations of the licensee.

The Belgrade meeting was told that not only will there be no relaxation, and that the authorities will adhere strictly to the letter of the law, but that they cannot be certain of their position even if the agreement has been finally approved and registered by Yugoslav authorities. Even after all requirements of the authorities have been satisfied and the deal signed and sealed, there seems to be the possibility that it can be invalidated in Yugoslav courts.

Mr. Dragan Cemalovic, Director in the Yugoslav Federal Patent Institute, said "registration does not mean an agreement is legal, a court may later decide that it does not comply in all respects with the law on long-term co-operation," and he added that even if a foreign law is chosen in the arbitration clause, the validity of the contract will have to be judged by the arbitration tribunal under the Yugoslav law. Representatives of foreign companies who arrived in the hope of being told that things were not so bad as they feared left Belgrade feeling that they were much worse.

The general feeling was summed up by Dr. E. M. Jucker, a director of Sandoz, who was also speaking on behalf of Roche and Ciba-Geigy, the other two Basle-based pharmaceutical companies. He said: "None of the three Swiss companies in Basle will introduce products onto the Yugoslav market under this law . . . none of the 40 major pharmaceutical companies concluded an agreement transferring technology. The reason for this is that we are frightened . . . We have enjoyed trading with Yugoslavia in the past, but since the Yugoslav turnover of most companies represented here is less than 1 per cent of their total sales, we are not dependent on Yugoslavia." He thought that the legal environment created by the new legislation was detrimental to co-operation which was now at a virtual standstill.

But there may be worse to come. Rising political tensions inevitably lead to a more rigid attitude on the part of Yugoslav authorities and play into the hands of orthodox ideologists. If they have their way, the new Patent Act will remove all protection from pharmaceuticals, agro-chemicals and food products. It will also introduce two systems of licenses, one operated by the Patent Office and the other by the Government, under which it will be possible to enable any Yugoslav enterprise to exploit either individual foreign patents or all foreign patents applicable to a certain product or a branch of industry. If there is no agreement, royalties calculated as a percentage of licencee's profit, will be determined by Yugoslav courts.

It would be wrong to consider these developments to be a problem concerning the relatively unimportant Yugoslav market alone. The dissatisfaction with the present patent and trademark system is very marked among all developing countries.

Disadvantages

Asked whether Yugoslavia does consciously set an example to other non-aligned countries, Mr. Stjepan Levata, Senior Adviser in the Federal committee for Energy and Industry, said: "We do not wish to impose our system upon anybody . . . but I admit that I had discussions about our laws on long-term co-operation and attitude towards joint ventures in Georgetown before the last conference of non-aligned nations."

Soon the industrial countries will have to consider whether the present patent system can be upheld; and if not, what other system acceptable to all concerned should replace it. If nothing is done they will only be left with its disadvantages, while others reap the benefits.

Khedive looks best of bright 11

RACING

BY DOMINIC WIGAN

THE NORTH-EAST again features the best racing in the country today with the £12,500 added Northumberland Sprint Trophy, the centrepiece at Gosforth Park. Only Shayhooh was lost at the final declaration stage for Newcastle's six furlong sprint and the 11-runner handicap looks as competitive as ever.

Both the joint top weights Pace Jean and Just Amber, have plenty to do off the 10 st mark, and two I much prefer are Khedive and Millfield Lad.

Khedive, a fine looking bay colt by Habat out of the useful Klairon mare Klairessa, has shown good enough overall form this term to suggest that he may be leniently treated with 9 st.

Millfield Lad, the bottom weight with 8 st, has yet to make the winner's enclosure in 1980. However, his claims to consideration should not be overlooked because his three juvenile victories all came on this testing course.

Half an hour after the big sprint, Millfield Lad's jockey, Mark Birch, seems assured of another good ride in partnering that sprinter's stable companion Silly Prices.

Although Silly Prices has been a disappointment of late, a return to anything like the form which saw him notch his third success of 1979 in the Chester Stakes here, will see him home.

Ian Walker, whose Belmont Bay proved a little disappointing in the William Hill Gold Cup on Saturday, could have better luck with Faridella in the Morpeth Nursery. The grey Silly Season filly did well when third behind Crimson Advocate at Ayr last time out and receives 10 lbs from Ermac.

NEWCASTLE
2.30—Hazing
3.30—Khedive*
4.00—Silly Prices***
4.30—Faridella**

WINDSOR
3.30—Reconquest
4.00—Bold Principle
4.30—Havon Cool

NOTTINGHAM
2.15—Winged Beauty

TV/Radio

BBC 1

† Indicates programme in black and white

6.40-7.55 am Open University (Ultra high frequency only). 10.00 Noah and Nelly in Skylark. 10.05 Jackanory. 10.20 Cheggers Plays Pop. 10.40 Take Hart. 11.25 Cricket—Fifth Test: England v West Indies. 1.30 pm Heads and Tails. 1.45 News. 2.05 Cricket—Fifth Test. 4.13 Regional News for England (except London). 4.15 Play Schools (as BBC2 at 11.00 am). 4.40 Lassie. 5.00 John Craven's Newsround. 5.10 Go With Noakes.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Kick Start.
6.55 Ask the Family.
7.20 Star Trek.
8.10 Panorama (report on the opening days of the Democratic Convention in New York).
9.00 News.
9.25 The Monday Film: "The Girl from Petrovka" starring Goldie Hawn.
11.05 The Editors.
11.40 News Headlines/Regional News.

All Regions as BBC1 except as follows:

BBC Cymru/Wales — 1.30-1.45 pm Tredwt. 5.55-6.20 Wales Today. 6.55 Newyddion. 7.05-7.20 Cartoons. 11.40 News, Weather for Wales.

Scotland—1.25-1.30 pm The Scottish News. 5.55-6.20 Reporting Scotland. 11.40 News, Weather for Wales.

Northern Ireland—4.13-4.15 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.40 News, Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-west (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.30 pm Cricket—Fifth Test: England v West Indies.
6.35 Open University.
7.00 Dallas.
7.50 Mid-Evening News, including sub-titles.
8.00 Cartoon Two.
8.10 The Ricky Jay Magic Show.
9.00 Rhoda.
9.25 Brass Tacks.
10.10 Best of Brass.
10.50 Newsnight.
11.35 Cricket—Fifth Test: highlights.

LONDON

9.30 am Check It Out. 10.00 Wild, Wild World of Animals. 10.25 Mystery Island. 10.40 The World We Live In. 11.05 Little House on the Prairie. 11.55 The Animates. 12.00 Just So Stories. 12.10 pm Rainbow. 12.30 Doctor! 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Against the Wind. 2.30 Monday Matinee: Diana Rigg in "In This House of Brede." 4.15 The Sooty Show. 4.45 Clapperboard.
5.15 Mork and Mindy.
5.45 News.
6.00 Thames News.
6.35 Crossroads.
7.00 The Krypton Factor.
7.30 Coronation Street.
8.00 Grundy.
8.30 World in Action.
9.00 Best Sellers: "Studs Lonigan."
10.00 News.
10.30 Best Sellers: "Studs Lonigan" (continued).
12.05 am Close: Personal choice with Charles Ealoo.

All IBA Regions as London except at the following times:

ANGLIA

10.00 am Rocket Robin Hood. 10.25 Friends of My Friends. 10.50 Redgauntlet. 11.20 World Worth Keeping. 11.45 Cartoon Time. 1.20 pm Anglia News. 2.00 About Britain. 2.30 Monday Film Matinee: "Squeeze A Flower." 5.15 University Challenge. 6.00 About Anglia. 6.30 Survival. 12.05 am A Big Country. 12.35 am Reflection.

ATV

10.20 am Sesame Street. 11.20 The Paper Lads. 11.45 Larry the Lamb in Toytown. 1.20 pm ATV Newsdesk. 2.00 About Britain. 2.30 The Best of Sellers: "The Wrong Arm of the Law." 5.15 Mr. and Mrs. 6.00 ATV Today. 12.05 am ATV Newsdesk. 12.10 Something Different.

BORDER

10.00 am About Turn. 10.30 How the West Was Won. 1.20 pm Border News. 2.00 About Britain. 2.30 Monday Matinee: "Rockets' Galore," starring Jeannie Carson and Donald Sinden. 5.15 Take My Wife. 6.00 Lookaround Monday. 6.15 Mr. and Mrs. 0.45 Photography. 12.05 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where, and Weather 2.00 About Britain †2.30 The Monday Matinee: "2,000 Women." 5.15 University Challenge. 6.00 Channel News. 6.10 Cities (Mai Zetterling's Stockholm). 10.28 Channel Late News. 12.05 am The Sound of . . . Guys and Dolls. 12.20 News and Weather in French.

GRAMPIAN

9.25 am First Thing. 10.00 About Turn. 10.25 How the West was Won 1.20 pm North News. 2.00 About Britain. 2.30 The Monday Special (Sea Symphony). 3.30 Survival. 4.00 Cartoon Time. 5.15 University Challenge. 6.00 North News. 6.10 Bailey's Bird. 6.30 Devine Country. 12.05 am Reflection. 12.10 North Headlines.

GRANADA

10.00 am The Beachcombers. 10.15 Wildlife in Crisis 10.35 The Paper Lads. 11.00 Sesame Street. 1.20 pm Granada Reports. 2.00 About Britain. †2.30 Monday Matinee: John Mills in "The Colditz Story" 5.15 Flintstones. 6.05 Hey Neighbour! 12.05 am Superstar Profile.

HTV

10.00 am Beachcombers. 10.25 The Lost Islands 10.50 Sesame Street 11.50 Larry the Lamb in Toytown 1.20 pm Report West Headlines 2.00 About Britain. †2.30 The Monday Matinee: "Vacation from Marriage." starring Robert Donat and Deborah Kerr. 5.15 Mr. and Mrs. 6.00 Report West. 10.28 HTV News.

HTV Cymru/Wales—As HTV West/HTV General Service except: 12.00-12.10 pm Trenetieu. 1.20 Penawdau Newyddion y Dydd 1.25-1.30 Report Wales Headlines. 2.00-2.30 Hamddan. 4.45-5.15 Ser. 6.00 Y Dydd. 6.25-7.00 Report Wales.

SCOTTISH

10.00 am About Turn. 10.25 How the West Was Won. 1.20 pm News and Road and Weather. 2.00 About Britain. 2.30 Monday Matinee: "Tarzan Goes To India." 5.15 Mr. and Mrs. 6.00 Scotland Today News and High Summer Extra. 6.40 Crimedesk. 12.05 am Late Call.

SOUTHERN

10.00 am Focus on Wildlife. 10.25 Little House on the Prairie. 11.20 History of the Motor Car. 11.45 Larry the Lamb. 1.20 pm Southern News. 2.00 Houseparty. 2.25 "Tell Me My Name." 3.45 About Britain. 5.15 Survival. 6.00 Day by Day including Southsport.

TYNE TEES

9.20 am The Good Word followed by North East News. 9.30 The Masterbuilders. 9.55 The New Ed Allen Show. 10.20 The White Stone. 10.45 Space 1999. 11.40 Adventure Canada. 1.20 pm North East News and Lookaround. 2.00 About Britain. 2.30 The Mackenzie Affair. 3.30 Bloomin' Human. 3.45 Kum Kum. 5.15 Father Dear Father 6.00 North East News. 6.02 Double Top. 6.30 Northern Life. 10.30 North East News. 12.10 am Sounds of . . . "The Seniors." 12.15 Epilogue.

ULSTER

10.00 am About Turn. 10.25 The Lost Islands. 10.55 Sesame Street. 11.55 Cartoon Time. 1.20 pm Lunchtime. 2.30 Monday Matinee: "The Colditz Story." starring John Mills and Eric Portman. 4.13 Ulster News Headlines. 5.15 Mr. and Mrs. 6.00 Ulster Television News. 6.15 Portrait of the Artist. 6.30 Happy Days. 10.29 Ulster Weather 12.05 am Bedtime.

WESTWARD

10.00 am About Turn. 10.25 Feature Film: "Captain Sinbad." starring Pedro Armendariz. 11.50 Cartoontime. 1.20 pm Westward News Headlines. 2.00 About Britain. †2.30 The Monday Matinee: "2,000 Women." starring Jean Kent and Phyllis Calvert. 4.12 Gus Honeybun's Birthday. 5.15 University Challenge. 6.00 Westward Diary. 10.31 Westward Late News. 12.05 am The Sound of . . . Guys and Dolls. 12.20 Faith for Life. 12.25 West Country Weather and Shipping Forecast.

YORKSHIRE

10.25 am From The Earth To The Moon. 11.10 Young Ramsey. 1.20 pm Calendar News. 2.00 About Britain. 2.30 Monday Matinee: "The Master of Ballantrae." starring Errol Flynn and Anthony Steel. 5.15 Mr. and Mrs. 6.00 Calendar (Emley Moor and Belmont editions). 6.30 Calendar Calling. 12.05 am George Hamilton IV.

RADIO 1

(s) Stereophonic broadcast

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates 11.00 Peter Powell with the Radio 1 Roadshow. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.00 Andy Peebles. 4.31 Richard Skinner. 7.00 Stayin' Alive. 8.00 Adrian Jay. 8.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Ray Moore (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music with David Symonds (S). 6.03 John Dunn (S). 8.02 Folk on 2. (S). 9.02 Humphrey Lyttleton with the Best of Jazz on records (S). 9.55 Sports Desk. 10.02 Free Spin. 10.30 Star Sound. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.03-5.00 am You and the Night and the Music (S).

RADIO 3

5.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Verdi (S). 10.00 BBC Welsh Symphony Orchestra (S). 10.55 Music for Guitar (S). 11.25 Cricket—Fifth Test: England v. West Indies, including 1.35 pm News. 1.40 Your Letters Answered. 2.00 Lunchtime scoreboard. 6.40 Ravel. 7.00 Violin and Piano recital (S). 7.30 Proms Concert, part 1: Goehr (S). 8.20 Theatre Street (Autobiography of Tamara Karsavina). 8.40 Proms Concert, part 2: Brahms (S). 9.45 Promenades. (S). 10.30 The Art Ensemble of Chicago (S). 11.00 News. 11.05-11.15 The Victorian Clarinet (S).

VHF—with Medium Wave except as follows: 6.00-7.00 am Open University 11.25 A Veteran Hungarian Conductor (S), including 12.00-12.05 pm Interval Reading. 1.00 News. 1.05 Debussy Piano recital (S). 1.25-1.30 Interval Reading 2.05 Matinee Musicale (S). 3.00 Trombone and Organ recital (S). 3.40 New Records (S). 4.55 News. 5.00 Mainly for Pleasure. (S). 6.20-7.00 Open University.

RADIO 4

6.00 a.m. News Briefing. 6.10 Farming Week. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.0, 8.0 Today's News. 7.30, 8.30 News Headlines, 7.45 Thought for the Day. 8.35 The Week on 4. 8.45 Blasting and Bombardiering (An autobiography by Wyndham Lewis). 9.00 News. 9.05 Start The Week With Melvyn Bragg from Glasgow. 10.00 News. 10.02 From Our Own Correspondent. 10.30 Daily Service (S). 10.45 Story Time. 11.00 News. 11.05 The Seaside in Summer. 11.50 Weigh-In. 12.00 News. 12.02 p.m. You and Yours. 12.27 Brain of Britain 1980 (S). 12.55 Weather; programme news 1.00 The World At One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News 2.02 Women's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre (S). 4.30 Letter From Tuscany. 4.45 Short Story. 5.00 PM. News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news 6.00 News 6.30 Rumpole (S). 7.00 News. 7.05 The Archers. 7.20 Science Now. 7.45 The Monday Play: "Sitting Duck," by Bloke Modisane (S) 9.00 The Dynamics of Creation. 9.15 Kaleidoscope. 9.59 Weather 10.00 The World Tonight. 10.30 The News Quiz (S) 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Music At Night 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Tony Blackburn Telephone Programme. 1.03 pm London Live. 4.30 London News Desk. 5.35 Street Life. 5.45 Music on the Move. 7.03 Black Londoners. 8.00-5.00 am Join Radio 2.

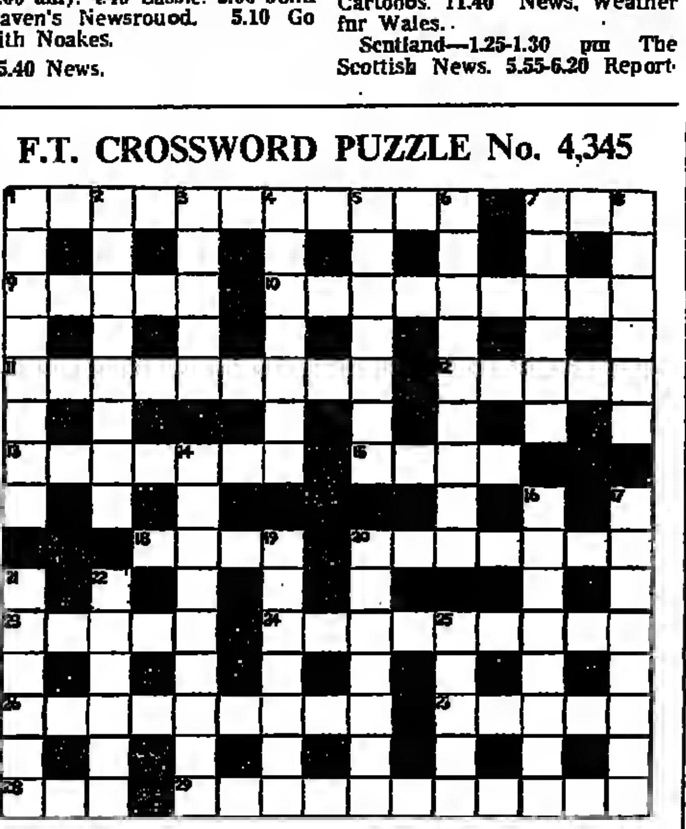
London Broadcasting

6.00 am AM—Douglas Moffitt and Alan King. 10.00 Brian Hayes (presented by Vivien White) 12.00 LBC Reports. 8.00 pm After Eight Special—Hugh Williams looks at the salvage business. 9.00 Mike Dickin—Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra—Tere Jefferies. 3.30 LBC Cinema—Paul Hollingdale 4.00 After Eight Sunday (repeat). 5.00 Morning Music.

Capital Radio

6.00 am Mike Smith's Breakfast Show (S) 9.00 Michael Aspel (S). 12.00 Graham Dene (S). 1.00 pm London Today (S). 1.10 Graham Dene (continued) 3.00 John Sachs (S) 7.00 London Tonight with Sarah Ward (S) 9.00 Alan "Fluff" Freeman (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,345



ACROSS

1 Insert, but bury nothing in South American river (11)
7 & 28 Prominent viewer whose favourite is Olive Oyl (3-3)
9 Gold fastener in flowering plant (5)
10 Two items of clothing for a woman or one for a man (5-4)
11 Survived deterioration produced by the elements (9)
12 100 links, but it could be more or less (5)
13 Resumption of position by soldiers in front of lobby (2-5)
15 Genuine quarter of a peseta (4)
18 Egyptian goddess in river (4)
20 Two sailors start eating and dressing (7)
23 Pole of a type needed to reckon them briefly (5)
24 Adore late concoction divided into small pieces (9)
26 Separate watch for one not fully employed (4-5)
27 Grumble about produce left (5)
28 See 7 Across
29 Murmur a cash conversion from a giddy, rash person (5-6)

DOWN

1 What the housewife makes after washing and drying? (8)
2 Knock gently and dilute a refreshing drink (3-5)
3 Organised church and stock-farm (5)
4 Quiet hospital attendant (7)
5 A repairer making a counter-proposal (7)
6 Seat from which it is simple to control a meeting (4-5)
7 Coconut oil-cake from Indian city on top of cooker (6)
8 Dad taking cover? It's obvious! (6)
14 Try to fit in with important game (4-5)
16 Dash to room overturned in prison (8)
17 A timely swinger (8)
19 Beetle from the south could be a fake (7)
20 A preposition to put mineral aggregate in them (7)
21 Settled market for textile fibre (6)
22 Deprive of food right inside bar (6)
25 Record I created initially in sound reasoning 5)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

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THE ARTS

View from the finishing post of the new stand at Goodwood

Architecture

Glorious Goodwood

by COLIN AMERY

It is a well known fact that Goodwood Racecourse is one of the most beautifully sited courses in the world. It lies 600 feet up on the top of the Sussex Downs and was laid out as early as 1802. The course itself is a horseshoe shape curved along the top of a deep wooded valley with magnificent views. Naturally enough such a beautiful slice of country has been declared an Area of Outstanding National Beauty. When it was decided to build a new grandstand for this glorious course everyone in the environment protection business got rather excited. The old grandstand which had to be replaced was a jolly Edwardian building designed by A. J. Henderson of Esher, which had just the right atmosphere of boaters and champagne.

The new grandstand, opened by the Queen at the end of July is a great success. The architects are the Howard Lobb Partnership working with Sir Philip Dowson as consultant architect. The building is a success because it manages to add an element of real visual excitement to a scene that is already rich in natural beauty.

It does this by the boldness of the structural design of the ribbed shell roof that is suspended from six tall pylons over the raked seating areas and boxes. The effect is of a huge elegant parasol sailing over the earthbound racegoers. The construction of the stand took a brief ten months, the consulting engineers Jan Brohowski and Partners used their experience of precast, prestressed concrete construction that they have successfully applied at the racecourses in Dublin and Calgary.

The architects with the interior designer Brian Beardsmore have concentrated their skills on making the lightness of the roof a kind of symbol of the new Goodwood. Green and white striped blinds and canopies and an extensive use of awnings creates a feeling of sunny celebration. The curly ironwork from the old stand has been re-used as a smart trim to the new stand. The bars and boxes have terracotta tiled floors and on the ground level the solid doors and brick arches sustain a feeling of the world of the stable.

Elizabeth Frink was commissioned to sculpt a full-size bronze horse by the trustees of the Goodwood Collection, and her fine creature is the final mark of inspired patronage by the client.

Goodwood has been enhanced by this new stand and it is encouraging that even glorious Goodwood can be improved by a good piece of modern architecture.

Oxford Playhouse

Simple Spymen

by MICHAEL COVENEY

In the world of Brian Rix's Whitehall farces, the laughter-generator is stocked high with funny foreigners in fezes and dark glasses, single elderly ladies in small hotels, lobotomised secret agents, and alcoholic butlers shuffling around in white plimsols. *Simple Spymen* (1958) by John Chapman is one of the very best of the genre and has been given an absolutely irresistible revival by Mr. Rix as his contribution to the Oxford Festival and his farewell to the theatre. For, later this year, Mr. Rix is securing his trousers for good and devoting the rest of his working life to the mentally handicapped.

Just as we have discovered that the Ben Travers Aldwych farces may well have a life independent of the team for which they were written, so the time could prove ripe for a fresh look at the Whitehall collection. A tradition of critical snobbery has grown up around these plays, partly because they were so blatantly popular but chiefly because of our conviction that farce, unless written by a Frenchman, is an inferior theatrical species. More than any form of theatre, farce thrives on physical invention, teamwork and the relationship of actors to the stage hardware of scenery and properties.

No-one will earn degrees in the study of Mr. Chapman's dialogue, but it does sparkle with a sort of precise banality. "Are you going to France?" "No, Paris." "Will you be going to the Louvre?" (Pause and a pained expression) "From time to time." There are no very great sexual stakes to be played for, as in Feydeau, but there is often a sharp sense of music hall innuendo, as when the hotel guest is unexpectedly reunited with her old military boyfriend and, perceiving his rank with a slippery glance down his body, remarks: "So you got your rise after all." The hapless Colonel later inquires of a disguised secret agent, in the course of a surreal parlour game interlude ("Do you like chamber music?" "I'm potty about it."), "Do you know I've got a loverly bunch of coconuts?"

The plot concerns a frantic chase for a nuclear pile restorer in the possession of Dr. Grobchik, the funny foreigner. Two street buskers are pressed into service by an incompetent War Office working in conjunction with Mr. Forster Stand, a ludicrously upright chap from M15. At one point two rival secret agents, both disguised as Grobchik, peer at the real Grobchik from behind curtains and cupboards. There then develops one of those classical farcical mix-ups where mistaken identity melts into surreal fantasy.

One of the buskers was originally played by Mr. Rix. He has handed over to Derek Royle, who is simply one of the funniest men on the English stage. You can best imagine the quality of Mr. Royle's work by contemplating an amalgam of the serenity of Buster Keaton and the rubber-limbed antics of Max Wall. There are two priceless sequences in his performance. First, during a Whitehall rehearsal in the role of a French waiter, Mr. Royle serves an imaginary meal. Balancing two invisible bowls of hot soup, he slithers slowly across the stage as his trousers gradually crumble to the ground. It is the concentration involved that makes the scene so funny, the fact that his ridiculous dilemma is being played for real. And secondly, as the action hots up in the Dover hotel, Mr. Royle finds himself dressed up in the Colonel's uniform with a plum in his mouth and a stick in his hand. In an incredible exhibition of molten mime, that stick, in the course of about 30 seconds, is used as a gun, an archer's bow, a fishing rod, a golf club, a flute and a violin bow. There were more, but I lost count and was, at any rate, in the grip of a convulsive fit.

Mr. Royle receives tremendous support from such stalwarts as Arthur English, Hazel Douglas, Peter Halliday and, a newcomer to the stage from the variety beat, the brilliant Harry Dickman. Saul Radomsky's sets have all the doors and cupboards in the right places and, more importantly, capture that quintessentially nostalgic smell of dusty locations inhabited only by Whitehall farces and po-faced British films of the '50s.

Once the National Theatre has done its duty by Priestley, Rattigan and others teetering on the brink of theatrical respectability, I suggest they employ Mr. Rix on a sabbatical to investigate the ignored riches of English farce between Travers and Ayckbourn. John Chapman should be at the top of the literary manager's reading list, along with Philip King, Falkland Cary and Vernon Sylvaine.

Munich Festival—2

Wolf, Pfitzner, Strauss

by MAX LOPPERT

Wolf's single completed opera, *Der Corregidor*, Pfitzner's most famous opera, *Palestrina*, and *Feuersnot*, Strauss's second opera (and first operatic success), were all given in the space of four days towards the close of this year's Opera Festival. Each is a relative rarity, the more so beyond the German-language borders; each is capable of arousing passionate affection in partisans though generally held to be (in differing degree) incompletely stageworthy; and each, it seems to me, reflects its composer's particular kind of love and enthusiasm for Wagner's *Die Meistersinger*—the way that response has been filtered through a very distinctive musical personality tells the listener a good deal about all concerned, Wagner included. Hearing and seeing these works in such close proximity afforded the pursuit of instructive comparisons and revealing contrasts; the cumulative experience was special in the way proper to (while by no means always synonymous with) festival-going.

In other, no less significant ways, however, the concept of festival purpose was uncertainly maintained at Munich; for after scrutiny of the performances in question it could hardly be claimed that any definite attempt had been made to argue the peculiar merits of these works, that love and clarity of artistic purpose had combined in their re-examination. *Palestrina*, a production by Filippo Sanjust new last December, was conventional opera-staging at its very worst—almost sufficiently so to send the impatient spectator fleeing into the arms of producers like Friedrich Herz, and Harry Kupfer; worse, the work was acted, sung, and played with a looseness of ensemble and a laxity of dramatic effect that suggested minimal rehearsal. *Der Corregidor* was a concert performance conducted by Gerd Albrecht, unevenly sung and played (fair-to-middling orchestral work was a notable feature of all four evenings I spent in the Nationaltheater)—the usual excuse for concert versions of opera, that they can reveal the music to new advantage, could be advanced here only mildly. And *Feuersnot*, though in musical and dramatic terms a more decisive undertaking, was not without prominent flaws. For the present, at least, it seems that Munich's golden festival days are over.

"When all deductions . . . have been made from *Der Corregidor* as an opera, it remains, as music, one of the most purely delightful works of the 19th century." Ernest Newman's advocacy of Wolf, elsewhere penetrated with what seems today a distasteful vein of intellectual snobbery, is still wonderfully vivid in the matter of this opera and wonderfully accurate on the character of its best moments, moments that can make the listener reverberate with a poignant delight and joy.

As often claimed, the score is a hoard of linked small marvels—Wolf appears to have seized upon the intimate emotions of *Meistersinger* (the Midsummer's Eve side-stage murmurings of Walther and Eva, the gentler courtesies between Eva and Sachs, even Beckmesser's sympathetic moments) and distilled each one in a passage of concentrated fragrance. Yet, except in the third act, whose inexpertly judged proportions will always cause difficulty, the opera seems to me to discover its own peculiar manner of larger movement—now comically discursive, now needle-pointed in expression of tenderly felt emotion, unexpectedly tragic in the Miller's big jealously outburst, just as unexpectedly grand at the delayed entrance of the Corregidora.

It would be a mistake to insist that the couple of hours spent with the Miller of Fischer-Dieskau, the Corregidor of Horst Laubenthal, and the Corregidora of Helen Donath were *entirely* wasted; but the first huffed and puffed unmercifully, the second maintained a colourless correctness, and the third pressed hard on a voice too narrow in timbre for the part, while in the leading role of Frasquita, the miller's wife, the young mezzo Ute Trekel-Burckhardt (substituting for Brigitte Fassbaender) sang with determination, spirit, and coarse, ill-focused tone. Kurt Moll as the Alcade and Norbert Orth as Pedro were enjoyable luxuries.

Palestrina, that massive, elevating, beautiful creation, as grandly structured and piled as a mature Bruckner symphony (and, to its detractors, quite as long winded), is a three-act dramatic meditation on the nature of art, the artist, and society — its more inspired passages seem almost to speak in the voice of a latterday Hans Sachs (the Wagnerian one, that is, not the actual Nuremberg composer). Its twin peaks are the long first-act scene in which Palestrina is visited and encouraged by the ghosts of famous composers past, and the *scherzoso* second act, an operatic version of the Council of Trent.

It was hard to decide which of these was the more feebly staged in this Sanjust production—the first, with its washing-lines of shapeless grey gauze bumped aside by circling choristers, or the second, hammed through as a succession of tedious bit parts. The production was also dull to the eye. Sanjust's "pictorial" stage methods can be defended when the results are handsome (as in the new Covent Garden *Boccanegra*); when detail is slovenly and colouring insipid, defence becomes an unedifying task. In the title role, Peter Schreier lacked colour and emotional substance, as Cardinal Borromeo, Hans Kiemer (*vice* Hermann Becht) lacked grandeur of utterance; as conductor, Wolfgang Sawallisch lacked spiritual insight.

It is, I think, a generalisation only a touch too sweeping to say that Strauss's *Singgedicht* (Dresden, 1901) protracts the folksy, knockabout side of Wagner's mighty comedy into a one-act opera. Such a generalisation was helped by the cluttered Munich production of Giancarlo del Monaco, whose way with the crowd scenes was to fill the stage to capacity, at which point leading personages were apt to be lost to the eye while an unchanged swirl of movement prevailed. The hero Kunrad, an intentional hybrid of the two Richards, Wagner and Strauss, was garbed in the characteristic outfit of the latter floppy black tie, waistcoat and trousers—amid sets and costumes otherwise insistently *in alter Zeit*: if this was a Producer's Point, it was a wholly uninteresting one. But under Gustav Kuhn, who made such a good impression at Glyndebourne this year, the music came up with energy and enthusiasm—one may take pleasure in the copiousness of Strauss's invention even when it runs to boisterous, garrulous excess. The large cast was led by Siegmund Nimsgern and the secure, somewhat colourless Sabine Hass (Diemut), both full-voiced and mostly full-throttle. Altogether, this *Feuersnot* wanted subtlety.

Siegmund Nimsgern and Sabine Hass in 'Feuersnot'

David Mercer

David Mercer, who died in Haifa on Friday, aged 52, was a prolific and always interesting writer for television, the stage, and the cinema. Most of his work was characterised by an amused, but always trenchantly expressed, bewilderment at the demands made on eccentric personality by an unbending society. The son of a Yorkshire engine-driver, Mercer often employed his own background as a counterweight to his political acumen, most memorably in *After Haggerty* (1970), arguably his best play. His first stage success was with *Ride A Cock Horse* (1965) starring Peter O'Toole.

He came to the theatre via television, but was never as successful an experimentalist on the stage as he was on the small screen. Some of his later plays, especially *Duck Song* and *Cousin Vladimir*, both presented by the RSC, were disappointing. But in the mid-1960s his combination of Marxist philosophy, Laingian psychiatry and Yorkshire grit, frequently wrapped up in dialogue of great force and beauty, made him a solid reputation.

His best known screenplays were *Morgan!*, *A Suitable Case for Treatment*, *Family Life* directed by Ken Loach, and the hauntingly ambitious *Providence* for Alain Resnais.

M.C.

Albert Hall/Radio 3

Opening of the Proms

by MAX LOPPERT

Twenty concerts lighter than originally scheduled, and delayed by circumstances that combined tragedy, scandal, and farce, the 1980 season of Henry Wood Promenade Concerts opened on Thursday. Now that the BBC and the Musician's Union have settled a dispute that reflected only ignominy on the administration and the cultural concerns of the former, let us look forward to the possibility that one or two of the BBC heads more visible during its long and unpleasant course may be set to roll—they richly deserve to. And let it not be forgotten, amid the waves of justified sympathy for the protesting musicians—the salute by Thursday's audience to the BBC Symphony Orchestra on its first appearance was long and full-hearted—, that in the not-so-distant past the Musicians' Union has not always shown itself worthy of the unreserved admiration of ordinary music-lovers.

Meanwhile, for the rescue of the Proms there can be only *gratitude and prolonged cheering*. The programme of the opening concert, conducted by John Pritchard, was placed in a light of unexpected significance. It bore the burden of celebration and thanksgiving excellently: Mahler's Fourth Sympony in the first half (its last - movement vision of heavenly happiness graced by "Cecilia and her relations" given a special new relevance); and Berlioz, Messiaen, and Ravel in the second.

Expectations that the concert would find both conductor and orchestra in best form were amply gratified. The Mahler symphony was played with a rare and beautiful quality of flowing lyricism: it was a light, unforced performance of great and special distinction, which reminded one of Mr. Pritchard's Mozartian gifts while divining, one after another, all the pastoral felicities in the scoring of Mahler's most "classical" symphony. It was not a performance in which beneath the pastoral colours there was discovered a vein of passionate bittersweetness: the climaxes of first and third movements were both slightly underpowered and that of the latter swam, temporarily but noticeably, out of tune). But Mahler readings full of *Schwung* and heart-searching, intent on squeezing the emotions to the last drop, are more familiar than those of Pritchard's kind, in which the lines sing and the tone remains limpid and buoyant for long stretches. Among many instrumental solos of unusual character, there must be a word for Alan Civil's horn and Colin Bradbury's clarinet.

The soprano voice in the last movement—too richly vibrant, too warm and womanly, to be ideal (but very happily heard, all the same)—was Jessye Norman's. We must be given the chance to hear her complete performance of the Messiaen cycle at the very earliest opportunity; for the five songs undertaken here gave pleasure of an almost physical kind—the sound was at once sumptuous, chaste, and agile, the sense of Messiaen's intoxicating love music controlled by musicianly instincts.

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Friday's Prom, fortuitously the second of the season, was one of the adventurous kind. Liturgical music by the 17th-century Spanish composer Cererols, performed by the London Oratory Choir and Instrumental Ensemble under John Hoban, alternated with Handel concertos given by the English Concert under Trevor Pinnock. It looked on paper like a church Prom, but the wide Albert Hall platform enabled the two or three sub-choirs used by Cererols to be spread out so that the sound filled the space. When the old echo stole back it did not seem wrong. And if the hall was not full, there cannot be many cities where this programme would have drawn a larger audience.

The experiment was worth making, for the excellence of music and performance, and for the interest of the return to the old traditional layout with, for instance, the main parts of a large Mass setting separated by a different kind of music. Juan or Joan Cererols, in this time of ubiquitous early music, is as likely to be heard in performance as found in reference books (when they do mention him, authorities seem to disagree about his dates). He spent his working life at the monastery of Monserrat near Barcelona, starting as choirboy, rising to be (for a long stretch) choirmaster. According to Anne Livermore's *Short History of Spanish Music* he was nicknamed El Compositor and "accorded the exceptional honour of 'perpetual performance' of a responso on his anniversary."

Much of his work was destroyed during the Peninsular War but a good deal survived and has been published. Life at Monserrat was not totally isolated. The monastery's present choirmaster, Ireneu Segarra, believes that Cererols knew some of Monteverdi's music and possibly some of Charpentier's — communications were surprisingly rapid. No doubt the label "conservative" usually stuck on to Cererols when he is discussed is generally right, though the strange villancico "Pues pára" included on Friday showed him exploring the darker side of Spanish religious feeling in a way that took him within hailing distance of Purcell's dissonant pages. The citrus edge on the voices of some of Mr. Hoban's sopranos was particularly effective here.

In Cererols' case conservative apparently did not mean fusty: the preceding "Serafin, que con dulce harmonia" delightfully transformed a popular love-song into an act of worship. The *Missa de batalla* heard after the interval is one of many works written in emulation of a celebrated piece of early programme music by Jannequin. Cererols' battle effects now seem more playful than warlike but the tossing of short phrases from choir to choir can still be exhilarating. The Latin word-setting is direct and strongly rhythmic, meant to be understood and intended, no doubt, to dazzle as well as console and illuminate weary pilgrims. Towards the end there was a hazy suspicion that the effect of this music was greater than the actual substance, but revival was well justified.

In fact the concert was a fraction too long, refreshing as it was to jump back and forth from one age to another. For his part, Handel was felicitously cared for by the English Concert, the only possible murmur of dissent being that there were three concerto grossos to one organ concerto. In the single organ work (op. 4 No. 6, in B flat) Mr. Pinnock's scales and ornaments were so ravishingly articulated that one hungered for more. The risk that some innocent souls listening somewhere may believe there is some real connection between Handel and Cererols seemed a small price to pay.

RONALD CRICHTON

CRICKET BY TREVOR BAILEY

Fighting to regain former glories

IT IS impossible to over-stress the importance of pitch and climatic conditions in cricket, because these so often dictate both the quality and the quantity of the play.

This has been perfectly illustrated by the fifth Test in which, although it was not possible to start until mid-afternoon on the second day, by stumps on the third both teams had completed a distinctly uncomfortable first innings.

As has so often been the case at Headingley in recent years, the wicket has suited fast-medium bowlers, who have been able to achieve so much movement in the air and off the wicket that batsmen have always been in trouble.

On this occasion, nobody has completed a half-century and, providing there are no more interruptions, a definite result should occur on Tuesday. Somewhat ironically, if rain had not delayed the start for a day and a half and the match had begun on time, the pitch would have been condemned as not good enough for a five-day Test.

Now it has proved a blessing, because it has already produced plenty of excitement, and promises more, whereas on an easy, benign wicket the game would probably be drifting towards the fourth draw of the series.

Although the odds are heavily on a West Indian victory, England could come back, especially if today is hot and sunny, and it clouds over tomorrow. Nevertheless, our batsmen would need to apply themselves far more than they did in the first innings and our bowlers would need to maintain the same searching accuracy shown by Old. There is no doubt that the West Indians would have been pushed to muster 150 on Saturday against a seam trio of, say, Old, Jackman, and Hendrick, who would have revelled in the conditions.

I have a special affection for, and an affinity to, Yorkshire which stems back to my playing days. As a result, a Headingley Test has always had a great appeal. Although the Leeds ground is not the most beautiful, the crowds are large, very enthusiastic and rather more knowledgeable than most.

The big disappointment up here has been the lack of success in recent years of the County Eleven. For more than a decade, they have captured no honours and, with four titles to be shared out among only 17 contestants, this is hard to explain. If the famine should end this summer, the Tykes will first have to dispose of Surrey at the Oval on Wednesday in the Gillette semi-final, which is likely to prove a difficult task.

However, the present improvement in Yorkshire cricket is also reflected by the inclusion of four of their players in the 12-men England squad for this Test, although even their own supporters have expressed surprise at the choice of Stevenson.

Why have the county not met with any major success in the past decade? One reason undoubtedly stems from their refusal to include overseas cricketers, of which all those who are concerned about the welfare of England's cricket will approve.

If Richards and Garner, or Marshall and Greenidge, joined Yorkshire next summer instead of Somerset and Hampshire respectively, then I would heavily back the Northern county to win something. It is also significant that Middlesex, who are currently the outstanding team on the domestic circuit, would not be riding so high if Van der Bijl and Daniel did not form a match-winning international-class spearhead.

However, although Yorkshire have been handicapped by their reliance entirely on local talent, the club must accept some of the responsibility for this barren period. The most worrying feature has been the number of Yorkshire players — Kevin Sharp is only the latest in a long line — who have looked so good, promised so much and then failed to blossom, or have gone backwards.

I have a feeling this could, to some extent be due to playing for a county who have such a great tradition that success is not only expected but is almost demanded by their supporters.

It is to be hoped that, with Ray Illingworth as the present manager, Yorkshire cricket is on the threshold of a new era and that perhaps Athey is close to following in the footsteps of Hutton, Boycott and numerous other outstanding Yorkshire batsmen of the past. This would not only be good news for the county, but also for the country, though even more valuable would be the discovery of another world-class bowler.

TENNIS BY JOHN BARRETT

Telling weeks at Eastbourne

IN THE past two weeks at Devonshire Park Eastbourne, the best British players aged 12 to 18 competed for the national grass court titles.

The previous week, on the same superb courts, the top senior county players took part in the inter-county championships which, like the junior events, were sponsored by Prudential Assurance.

Thus, with the exception of that small band of professionals who can make a living on the world's tournament circuits, the whole spectrum of top British tennis was on display. In view of the severe criticisms about the state of British tennis contained in the Smith Committee's recent report, it is worth seeking experienced observers' views about the quality of performance in those three weeks.

Most former captains, LTA councillors and media-men I spoke to believed the standard at County Week was higher than average. There was the usual whole-hearted commitment by fringe professionals and club players who comprised the county teams, producing tennis that, if not always of Wimbledon standard, was good enough to entertain crowds who always flock to this backbone of the British game.

The juniors present a confused picture. In the under-18 championship the two 96-strong singles draws revealed a mere handful of players with potential and ambition that might take them to higher levels.

The girls' winner, 15-year-old Amanda Brown (Norfolk), was a strong, quick, athletic player whose tactical sense from the base line brought down more fancied opponents. Her limitations were revealed the following week in the under-16 championship, when she lost in the semi-final to Sally Reeves (Kent), a 16-year-old whose superior match temperament earned her a 6—4, 7—5 win.

The boys' under-18 champion was David Crichton-Miller, who earlier had led St. Paul's School to a record fifth consecutive win in the Youll Cup. In the final at Eastbourne he beat Mark Powell (Warwickshire) in straight sets but the match everyone talked about was his narrow three-sets win against Stewart Taylor (Bucks.), a lad whose increasing strength might enable him to fulfil promise he has always shown.

The absence of the four leading girls, and some of the boys, too, in this age group—at the European championships—perhaps led Tony Mottram, LTA director of national development, to the view that it was not a vintage year among under-18s.

Mottram believes there are players of talent there who, with proper guidance, could make a mark in the senior game. Paul Heath (Yorkshire), the 16-year-old who won the under-16 singles following successes at the under-14 and under-12 age groups, unquestionably has talent. "This year he really got his head down," said Mottram. "He knew he was the best player and set out to prove it."

In beating David Felgate (Essex), without losing a game in the semi-final, and the tall Craig Haworth (Bucks), 6—0, 6—2, in the final, he suggested the heavy defeats he has himself sustained in European competition are beginning to have their effect in producing a better match-attitude.

The girls' under-16 winner was 15-year-old Rina Einy (Middlesex). A strong, mobile baseliner who can volley, too, Miss Einy it was who ended the hope of Sally Reeves (Kent), 6—4, 6—3, after she had her win against Amanda Brown.

There were two boys and three girls in the under-14 group who Shirley Brasher—former French title-holder and Wightman Cup player—believes have ability to make progress. David Shann (Herts.) who beat Ben Knapp (Gloucester) 6—3, 6—4 in a spirited final likes to attack and is a balanced all-court player. Both boys know how to win but, like the rest, need concentrated, hard development.

The same applies to the girls' winner, Annabelle Croft (Kent), and the girl she beat in the final 6—1, 4—6, 6—2, Jo Louis (Devon), a small compact 13-year-old. Both are good competitors and technically sound for their standard, as is Siobhan Nicholson (Surrey), the 14-year-old who lost to Miss Croft in the semi-final.

But Mrs. Brasher is worried that the lack of any organised system for developing this age group may hinder their progress, and about lack of adult leadership.

Of the under-12s the consensus was that the two winners Caroline Bheguendas (Middlesex), and Christopher Bailey (Norfolk), were head and shoulders above the opposition.

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Someone needs a computer

BY THROWING back into the melting pot the whole question of how to computerise Britain's income tax system, the Government seems to have tangled up two important, but quite separate, issues. After several years of extensive studies, involving Whitehall computer experts, Inland Revenue officials and independent computer consultants, the Government apparently decided last year on a network of 12 large regional computers, which would be able to handle the whole of the nation's PAYE system. These would have provided future Parliaments with great flexibility in making fiscal changes of all kinds and would presumably have reduced the Inland Revenue's staffing requirements and administrative costs.

Second thoughts

Until last week, it was believed that only the Cabinet's inability to reach a decision on whether to buy British or foreign computers was holding up this vast project, which is expected to be the largest of its kind in Europe. But on Friday, the Chancellor announced, to the surprise of political observers as well as of the computer industry, that far from being on the point of letting contracts to one computer manufacturer or another, the Government is now having second thoughts about the whole idea of computerisation. Instead of going ahead with the highly sophisticated and all-embracing project which had been expected, it now wants to "undertake further studies" into the possibilities for a less centralised and less comprehensive, but simpler and possibly more reliable system.

This decision to think again before making a final commitment may appear prudent, particularly in view of the disastrous effects that a major breakdown in tax collection could have on all aspects of economic management. It is arguable that entrusting the whole tax system to 12 computers may increase the dangers of serious economic disruption resulting from technical failures or industrial action.

The trouble is that the main arguments for and against computerisation have already been rehearsed thoroughly and there is no reason to suppose that another investigation will come up with any strikingly new proposals about the basic design of the system, unless the Government's other requirements, for flexibility, efficiency and comprehensiveness are to be relaxed. It is particularly unlikely that worthwhile re-examination of all the complex issues can be conducted within the timescale of several months which the Government seems to have in mind.

For these reasons, and also because of the timing of the announcement, it is hard to avoid the conclusion that the Government is using the proposed re-examination of the whole system as an excuse for delaying a decision on the totally separate issue of whether to award the contract to the only British contender—ICL—or to put it out to open tender.

There are opposing interpretations of what this delay could mean for ICL and its American rivals. The American manufacturers take comfort from the fact that the contract has not already gone to ICL, as most Ministers and MPs would have wished, and as would have been expected under the system of preferential ordering for government computer contracts.

On the other hand, ICL and the political supporters of a "buy British" policy have been encouraged by the Chancellor's promise to "recognise the importance of the maximum feasible involvement of UK companies."

Track record

The real issue between ICL and IBM is not one of technical competence in hardware manufacture, but of the reliability and the support services which the companies can provide. IBM has established a reputation for installing and maintaining large computer systems in America. However, the very fact that ICL has not had an opportunity to develop such a track record in the management of large computer projects has been one of the main arguments for giving it the chance to do so.

However, a track record would be worth little if the Government rigged its specifications to meet ICL's requirements. If ICL is chosen, it will have to match the standards of reliability and service to those of its American rivals. Imposing strict performance conditions, rather than juggling with specifications, would be the way to provide Britain with an internationally competitive computer company.

Defence costs out of hand

THE SPENDING habits of the Ministry of Defence are becoming a political embarrassment. Expenditure in the current year was running at an estimated £600m-£700m ahead of the cash limit until last week when Mr. John Biffen, the Chief Secretary to the Treasury, announced a cutback. The original cash limit will now be exceeded by only about £200m.

Carry over

This is not the first time that the Government, which is admittedly strongly committed to defence while wishing to curb expenditure elsewhere, has been obliged to get out the cheque book. Sir Geoffrey Howe's first Budget last year gave the Ministry an extra £100m. Two successive pay increases for the armed forces have now been financed by the Treasury to the amount that they exceeded the figures permissible under the cash limits. Nor is there any reason to believe that the Treasury will not be called on again as defence spending inexorably rises.

The Ministry, it should be said, has a point. It is very difficult to apply cash limits on an annual basis to a department some of whose spending programmes stretch over a good 10 years. For much of the 1970s the Ministry consistently underspent—by an average of 2½ per cent of the defence budget a year. The underspend was not carried forward to the next year's budget, even though the money had been voted for specific programmes, but was forfeited to the Treasury.

More recently the problem has been one of overspend. It is said that the Treasury has repeatedly made over-optimistic assessments of the rate of inflation and has therefore set the cash limits too low. In the current year there is a new factor. The economic recession has meant that contractors are completing their work earlier and sending in their bills ahead of schedule. The Ministry has no alternative but to pay up.

Whether the problem is one of underspend or overspend, it is clear that the Ministry is something of a special case. The principle of "annuality" in accounting for expenditure ought not to be applied to it quite as rigidly as to other departments. There is room for an arrangement under which what is underspent in one year could be carried over to the next, and vice versa.

That said, however, the Ministry still has a lot to account for. The Public Accounts Committee, for example, drew attention the other day to the case of the Sting Ray missile and other underwater weapons projects whose total costs have risen from £165m in 1969-70 to £1.62bn today at September 1979 prices. Sting Ray is still not ready. A comparable system could have been bought from the U.S. last year for £200m, a saving of some £700m.

There is also the peculiar matter of the relative price effect, the margin by which public sector costs rise faster than the general rate of inflation. Relative defence costs ought to be coming down since defence depends heavily on areas where there have been technological breakthroughs: miniaturisation, electronics and the use of lighter materials. Such developments should save money. Yet the relative cost of defence has been increasing even more sharply than public sector costs as a whole. No one in the Ministry appears to know why.

Three possible and not necessarily mutually incompatible explanations come to mind. The Ministry is inefficient. It is being unduly exploited by its contractors who can more or less charge what they will and deliver when they like. It is being over-ambitious in continually trying to improve projects in the development stage: for instance, by repeatedly changing specifications. It may well be that the Ministry is letting the best be the enemy of the good by going for equipment that is more sophisticated than it needs.

Scrutiny

It used to be said that the problem lay in the Ministry's excessive tail. Over the last few years, however, there have been substantial reductions in civilian manpower — from 315,000 in 1974 to 237,000 today. The room for further slimming is clearly limited. The real need is for greater scrutiny, and greater justification, of every item of expenditure. Either that, or the Government will find itself inevitably obliged to look again at the range of its defence commitments.

هكذا من الأحوال

The Democrats' one hope of slaying the Reagan dragon

BY JUREK MARTIN, U.S. Editor in New York

DEMOCRATS, like blondes, tend to have more fun. There is invariably a much greater sense of expectation when the Democrats gather for their Presidential Nominating Convention than there is with Republicans, an anticipation of punchier speeches, more spirited debates, better parties and entertainment and—above all, the prospect of a good fight.

Yet, when the dust has settled in Madison Square Garden in New York this week, scene of many a famous conflict in the boxing ring, it is just possible that 1980 will have turned out to be the exception to the rule. This is not because the sense of drama is lacking. For nine months now, President Jimmy Carter and Senator Edward Kennedy have been slugging it out for the party's Presidential nomination, their rivalry growing ever more intense as the challenger has sought, by every conceivable means, to accomplish the difficult feat of unhorsing the incumbent office holder.

Rather it reflects the growing belief that the outcome in New York this week is predictable. For all the sound and fury, it looks increasingly that President Carter and his loyal running mate, Vice-President Walter Mondale, will be renominated to head the party ticket in the November general elections. The single great unknown is how Senator Kennedy will take his expected defeat. Will he embrace his conqueror in the cause of party unity against the Republican juggernaut or will he, in the political phrase, "take a walk" for the next three months. Yet even this conundrum, tantalising though it is, pales in comparison with that brief, 24-hour flirtation conducted between the 69th and 70th floors of the Detroit Plaza Hotel, as Ronald Reagan and Gerald Ford contemplated marriage and as the nation and the world, through the medium of television, watched in fascination, trembling and wonder.

At this stage of the election year, the Democratic Party could probably do without this sort of cardiac arrest. So deep are its internal divisions that it can no longer take comfort in the fact that its greater ideological elasticity has served it well in the past. Rain is beginning to pour through holes in the great democratic umbrella which used to offer shelter to the most disparate elements of American society—the rich and the poor, whites and blacks, steelworkers and university professors — at precisely that time in political history when the Republican Party, narrower in vision and less generous in its protection, is offering the succour of a coherent set of beliefs to a nation which often feels itself awash in uncertainty.

This week's convention really provides the Democratic Party with probably its last chance in 1980 to demonstrate to the country why it ought to remain the largest political entity, running not only the White House but also the Congress. To accomplish this, more may be needed than a mere symbolic show of unity, a crowded convention platform with all the party's leading lights holding hands and singing "Happy days are here again." Those days are simply not going to recur in a hurry. The reality is that somehow the party must convince itself and the country that the differences which divide it are less significant than those which separate it from the Republican alternative.

It is in this critical context that the Carter-Kennedy rivalry must be placed. Both clearly know that each has the power severely to tarnish the nomination of the other. The pressures of the campaign have heightened the differences between them. Before Senator Kennedy declared his candidacy last November, convinced, as he was then, that President Carter was ripe for the plucking, they had more often than not been on the same side of the important issues. But in staking out the battle field, the policy distinctions have become sharp between the Senator's evocation of the great liberal, interventionist approach that served the country socially so well in the 1960s and the President's less doctrinaire, but still preachy, middle-of-the-road philosophy.

In the process, their twin armies of supporters have drifted apart. Kennedy Democrats, whose contempt for a southern *parvenu* like Mr. Carter has always lurked beneath the surface, have become convinced that the President, unlike the senator, lacks the substance which makes presidents: Carter Democrats, especially those from the south, believe the Senator will do anything to win the Presidential nomination, even to the point of trying to change the rules of electoral process after the primaries game has been played.

The differences between Carter and Kennedy have been heightened.

Even those of long experience who have tried to bridge the gap have been frustrated. Mr. Robert Strauss, for example, who, though Mr. Carter's hard-nosed campaign manager, is also the personification of the good party man, has said he is totally puzzled by Mr. Kennedy's continued refusal to accept his defeat. Many regular Democrats, who are tempted by the idea of an alternative candidate (such as Secretary of State Muskie, Vice-President Mondale or Senator Henry Jackson) but who are principally worried that the nominee, whoever be is, will help consign the party to serious defeats in the Congressional races, are perturbed by the extent to which the Carter-Kennedy conflict has rendered the antagonists blind to broader interests.

The whole debate over whether or not the convention should be "open" sometimes appears the quintessential example of this myopia. At one level, the Kennedy attempt to free the delegates from the obligation to vote for the candidate to whom they were pledged in primaries and caucuses on the first ballot may be seen as the last chance to deny Mr. Carter the nomination, and is thus a naked tactical ploy.

At another, more esoteric level, it does raise some interesting questions about the purpose of party conventions and the processes by which parties choose their presidential candidates. Should a vote cast in a primary in March still be valid months later when policies and circumstances have changed, as the Carter forces maintain?

The Carter side contend that unless this is so, the primary elections would be no more than a non-binding expression of transient opinion; the convention would in practice be turned over to brokers in smoke-filled rooms. And would it not therefore be "closed" rather than "open," but rather a denial of all the reforms the party has made to ensure fairer representation over the years?

But, from a practical standpoint, the run-up to the convention has turned into no more than a test of factional discipline. Whips in the House of Commons might admire the rigour with which Carter and Kennedy lieutenants have sought to ensure allegiance, but the cost may be large. After all, if President Carter does win the nomination, he will be starting the general election campaign with a lower public estimation than any incumbent in recent history. Even the celebrated recovery of Harry Truman from the depths in 1948 began with a better base than Mr. Carter enjoys today.

There have been flickering signs in the past week that the Carter and Kennedy forces have begun to recognise the need for possible reconciliation. In the complex bargaining to set a schedule for the convention it has been agreed not to bring some embarrassing issues to the convention floor for debate. But the compact is fragile. Although outnumbered by about 700, there are enough Kennedy delegates to force debate on any given issue, if not to carry the day.

The tone will be set very soon. Early this evening the convention will vote first on a Kennedy "accountability" proposal — which would require a candidate for the nomination to list, in writing, those parts of the party's platform which be cannot accept. It will then vote on the central rules fight over the "open" convention. Some Carter delegates may vote for the open convention, thus giving the Kennedy side hope that the tide is turning in their favour, but every survey suggests that not enough will do so to carry the issue and that, in any case, fewer defections can be expected on Wednesday evening when the actual nomination is voted on.

However, a convention can be a wild animal, always capable of running off in strange directions. The tremor of excitement which ran through Detroit last month as Mr. Reagan and Mr. Ford bargained was testament to this. Thus, should something go wrong with the discipline imposed on the Carter contingent this evening, then anything could happen. Not since 1924 has the Democratic Party required more than one ballot to pick its presidential candidate, but if the tightly wound Carter ball begins to unravel, it will do so dramatically. If it does, then Senator Kennedy may not necessarily be the beneficiary.

Whatever the outcome, the stage will then be set for Senator Kennedy's address to the convention tomorrow evening on the state of the economy. Not since 1896 has a declared candidate for the nomination spoken to the convention before the roll call is taken. His speech is reportedly being written by two of the most uncompromising liberals on his staff, but the political judgment that goes into it must ultimately be Mr. Kennedy's own. It is certain to contain a clarion call for the Democratic Party once again to rally round the cause of the disadvantaged in society.

But all eyes will be on its direction. If it should dissect the economic policy alternatives offered by the Republican Party, then the cause of Democratic Party unity may still live. But if it should take dead aim at the economic record of the Carter Administration — and it should be remembered that, in his most bitter jibe of the year, Mr. Kennedy once called the President "a Reagan clone"— then subsequent reconciliation may be impossible.

This speech could be the most important Senator Kennedy has ever given. The experience of the past nine months has clearly demonstrated that he could not automatically inherit what he might have thought was his birthright—the leadership of the Democratic Party. Like others before him, he has found that, whatever his defects, Jimmy Carter is a tough, wily political opponent come election time. Yet it is widely believed that Mr. Kennedy's appetite for the White House has been whetted and that he has, by running so hard, at least partly exorcised the demons of Chappaquiddick. If 1980 is out of reach, then 1984, when he will be only in his early 50s, still beckons.

The Senator is part ideologue, part pure politician. The risk he has to weigh this week is whether his longer-term ambitions would be better served by conniving at a Democratic Party debacle in November and then rebuilding the wreckage in his own image, or whether to place party loyalty first and foremost, at no matter what cost to his personal pride, in order to establish his credentials for the future.

If the latter instinct prevails, if the Senator swallows his anticipated defeat and labours for his conqueror in the campaign proper, then the Democrats can emerge from New York with hope of slaying the so-far unruffled Reagan dragon. Indeed, in time—since it was predictable—the convention itself may, unlike its Republican counterpart, have turned out to be a rather humdrum affair. Perhaps some of the 3,331 delegates will even seek the alternative entertainment of watching Linda Ronstadt, the pop singer, play the part of Mabel in "The Pirates of Penzance" in New York's Central Park.

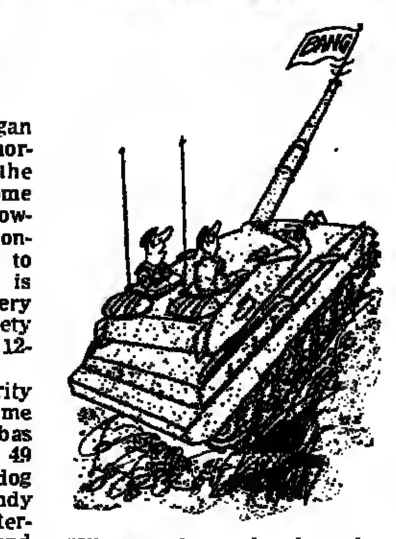
MEN AND MATTERS

Taking it out on the grouse

Grouse, snipe and ptarmigan steeling themselves for tomorrow's grand send-off to the roasting tin may draw some little comfort from the knowledge that the Game Conservancy is taking pains to ensure that their dispatch is carried through with every attention to etiquette and safety (of the folk wielding the 12-bores, of course).

This puzzlingly-titled charity informs me that just in time for the Glorious 12th it has completed the training of 49 "young shots" in gun and dog handling, pigeon potting (handy should the grouse be too waterlogged to get up) and moorland manners. They are now ready to lurk behind the butts with the 750,000 other registered shotgun owners who annually do their bit to ensure that game conservation remains a live industry.

The grouse may also be consoled to know that they are giving their small lives increasingly dearly. The cost of killing a brace, the Conservancy notes, is now between £15 and £20 (including VAT, lunch and beaters). But in return the sportspersons are assured of "a day to remember and one which should help compensate for many weeks of exacting work and aggravation in the City of London."



"We got the tank—then the Government cut back on spending"

Bankers' choice

When Samuel Montagu supremo Philip Shelbourne was elevated to the chair of BNOC last May the City confidently predicted a shake-up among the senior managers at the Midland's merchant banking subsidiary. Well, the pundits are still awaiting these stirring events and my probings suggest that their patience—and that of the aspirants—will be tested for another month, possibly two. Even though Samuel Montagu, one of the oldest accepting houses in London, has been without chairman or chief executive for almost four months, the Midland is apparently in no hurry to name names.

The longer it delays, of course, the more time the punters have time to study the condition of the runners. In the corporate side-betting word is that the Midland will now separate the jobs of chairman and chief executive and since there are strong odds that the chair will go to an outsider the in-house runners are not much concerned about this post. Names mentioned most often, however, include that of Sir Jasper Hollom, former deputy governor of the Bank of England.

He has also been suggested as a possible chairman for the Midland itself, to succeed the late Lord Armstrong, but one senior Montagu director tells me that Malcolm Wilcox, one of the Midland's two chief executives, might fancy that spot for himself. Starting as a lad with the bank in Liverpool, he has some 40-odd years' service to his credit and is due to step down from his present job within the next 12 months or so.

Still, it is the chief executive position that fascinates SM's top management. They were left guessing because Shelbourne went without leaving an heir—only five deputy chairmen, who, he declared in his even-handed way, shared equal status beneath him. Since his departure, however, some are emerging as markedly more equal than the others, with David Stevens, in charge of fund management, and John Gillum, corporate finance chief, attracting most attention.

Crise d'identite

The Continental obsession with identity cards and other bureaucratic fripperies has never appealed to me. I now bring chilling news from France to be offered as a warning to those who believe that society can be better ordered by means of bits of paper.

Daniel Leroy, a respectable middle-aged Parisian nurse, lost his identity card while holidaying in Rome six years ago. He notified the proper authorities and resumed his daily rounds. A year later, he received a court announcement that his divorce had been completed and that he should now surrender his house and chattels to his ex-wife.

Life-long bachelor Leroy had two more surprises six months later, when he was summonsed for stealing a car in Versailles and received a demand from his bank for prompt repayment of a FFr 10,000 overdraft.

Last summer, the bewildered Frenchman was billed for real estate he had allegedly bought in Louviers. And in the most bizarre turn to date, he has just heard that he has been elected a town councillor in Trappes, and would he please explain to the town worthies why he has quit his post without leaving a forwarding address.

In desperation, *le pauvr' homme* has written again to the Minister of Justice retelling his sad tale. Since no answer has yet turned up, he assumes the overdue apology must have been sent to his *alter ego*.

In lumber

Before this Brooke Bond Liebig-Mallinson-Denny affair goes any further (BBL has taken its holding in the timber group to 28.36 per cent by adding 3.36 per cent to its dawn pickings of the other week), I am sure my readers will be interested to hear a little of the beef and beverage group's existing and little-known venture into the woods.

For some years it has been growing cinchona trees in Kenya, and lately Tanzania, to reduce its dependence on tea and coffee, and to keep the staff busy while the aforesaid beverage crops are brewing. The cinchona, I hasten to add, is not grown for its lumber-producing qualities, but for the quinine in its bark.

As elsewhere in the timber business, the market for the natural product has been affected by the production of substitutes. Still, while synthetic malarial drugs are widely sold (although not universally effective) Brooke Bond's venture is nicely protected from serious harm at the hands of the laboratory researchers by the world's ever-increasing thirst for quinine-tinged tonic water in which it drowns its intake of gin.

Sic transit . . .

The correct response, I am assured to the car-sticker query, "Why should Fledermaus Die?" is: "Because he made Trovatore II."

Observer

SOUTH AFRICA'S GROWING LABOUR TROUBLES ● BY BERNARD SIMON IN JOHANNESBURG

A fundamental challenge to apartheid

A CARTOON in a Johannesburg Afrikaans newspaper showed a South African soldier standing over a black guerrilla fighter bundled in a garbage bag. Tha soldier says: "I don't know why Johannesburg is having such a struggle. Just look how easily we cleaned up SWAPO."

Breaking a strike by municipal workers is a far cry from destroying SWAPO bases in Angola. None tha less, when city officials ruthlessly ended the recent strike by 10,000 municipal workers in Johannesburg, they gave the impression that they were crushing an enemy rather than resolving a labour dispute.

The council's actions, which were backed by the police and the Central Government, amply confirmed suspicions that changes to South Africa's labour laws in the past 18 months hava done very little to improve the country's cumbersome industrial relations machinery.

The insensitive crushing of the strike bas a broader significance, too. Less than a year ago, businessmen were optimistic that Mr. P. W. Botha, tha Prime Minister, had committed bis Government to far-reaching changes in its race policies. But in tbe words of a Johannesburg newspaper editor: "There is little left of the P. W. Botha strategy of reform. Its one concrete achievement, labour reforms, bave been seriously, perbaps fatally, discredited."

The Johannesburg strike is one of many unofficial work stoppages which have caught employers by surprise over the past nine montbs. But it ia ona of the few involving a public sector employer. This is probably one reason for the close involvement of the Central Government in the city'a handling of tbe dispute.

Most other strike-bound employers, particularly multinationals, have preferred to keep Government officials, and particularly the police at as great a distance as possible.

After a briefing by Jobannesburg council officials Mr. Fanie Botha, the Minister of Manpower, complained that the strikers were "bypassing the Government's conciliation machinery." Mr. Botha had put his finger on the common thread running through almost all the recent work stoppages. By doing ao, he implicity conceded the inadequacies of the present system.

Hopes for an improvement in South Africa's industrial relations were aroused by the Wiehahn Commission of Inquiry which preaented its first report last year. But Prof. Nic Wiehahn, the commission's chairman, is now said to be a disillusioned man whose ideas have been stifled by powerful bureaucrats. Althougb Prof. Wiehahn remains the president of the new Industrial Court, significantly he was not on the bench when the court heard its first case recently.

The stoppages have taken the employers by surprise

The Commission's most important proposal was that the anthorities abonld grant official recognition to black trade unions, thereby giving them access to formal wage negotiating rights.

The Government's policy towards black trade unionism has had a basic flaw, bowever. A number of important restrictions on registered trade unions means that official recognition is regarded primarily as a means of controlling black unions rather than encouraging them.

Employers bave not been slow to get the message. On the one band, they have recognised the inevitability of a unionised workforce. But, with official blessing, they have tried to ensure tbat unions formed in their own factories will not push too bard against management.

In practice, many employers have belped organise in-company unions or brought in outside groupa which are controlled by relatively conservative white trade unionists. These groups have often not had majority support among workers, with the result that managements have not been talking to the real representatives of their black employees.

The Johannesburg City Council appears to bave tried this tactic. The Union of Johannesburg Municipal Workers, which it favours and which was given Government registration in the middle of the strike, is merely an extension of the council's former Government - approved liaison committees. When the strike started, this group had only 40 paid-up members. Its president even refused to talk to the press without his white supervisor'a permission.

The city's management committee has refused point-blank to negotiate with the more militant Black Municipality Workers' Union (BMWU), even after it conclusively demonstrated support among a very large slice of the council's 15,000 black workers.

It waa partly in a bid to gain recognition from the council that the BMWU organised tha strike. Minimum wages well below the breadline and appalling living conditions in council hoatels made it easy for tbe union to win backing from the workers. The Wiehahn Commission bas also failed to change clumsy and time-consuming industrial conciliation procadures. In terms of the law, workers' grievances must first be discussed with their employer. If this fails, tha workers may declare a formal dispute, whicb must be followed by a one-month "cooling off" period before they are allowed to walk off their jobs.

Black workers have become increasingly impatient with these drawn-out procedures and, to a growing extent, are not bothering to follow them before going on strike. Almost every recent strike in South Africa, including the Johannesburg one, has thus been illegal.

In terms of South African law, any worker taking part in an illegal work stoppage ia deemed automatically to bave dismissed himself. Some employers have chosen to ignore the letter of the law. Volkswagen's local subsidiary, for instance, did not dismiss any workers during a three-week stoppage at its plant near Port Elizabeth last month.

Johannesburg took the opposite course. It fired over 11,000 workers, and herded them at gunpoint onto buses which carried them under police escort back to their tribal homeland, as an indication of its approach to the strike, it forced dismissed employees to sleep on cement floors in overcrowded dormitories. "It was only for one night," Mr. Francois Oberholzer, chairman of the city's management committee, explained.

Dismissal appears at first glance to be a strike-bound management's easiest way to get production going again. High black unemployment, currently estimated at hetween 10 per cent and 20 per cent, means that a large pool of labour, especially in rural areas, is waiting to snap up jobs in the cities. Johannesburg bas already recruited several hundred labourers to replace those wbo were fired. It should have little difficulty finding hundreds more in the impoverished homelands.

Other employers, however, bave recognised tbe shortsightedness of this policy. Johannesburg's new workers will be paid the same wages and live in the same conditions as tbose who have left. In addition, they will work side-by-side witb many men who bave returned to work only because they did not want to be sent away.

Fears are already being expressed that it is only a matter of time before Johannesburg is again faced with overflowing garbage bins and littered street gutters.

Most of Johanneshurg's strikers were unskilled labourers. But other employers have recognised the cost to production and profits of training new recruits. Wbat's the use of dismissing them if we're going to bave to take them back, anyway? was the attitude of the Eastern Cape motor industry which has had to contend with two mass walk-outs in the paat nine months.

Johannesburg's hard line went even further than dismissing strikers and refusing to recognise their unioo. Police played a highly active role in keeping workers in their hostels, assisting council officials questioning strikers, and escorting back to work those who were not dismissed.

Strikes are becoming a way of venting political frustrations

When the Black Municipality Workers' Union sought a court order to stop the city council sending strikers to the homelands, security police arrested its leader, Mr. Joseph Mavi, in the corridors of the Supreme Conrt building. He is still being beld under a law which allows detention without trial for up to two weaks. Meanwhile, a local editor was brougbt to court, following his refusal to hand over notes of an interview his newspaper published with Mr. Mavi.

There are two obvious reasons why strong-arm tactics are being used in Johanoesburg when otber employers, police and politicians are heginning to show some appreciation of the complexities of labour relations in earlier strikes. Onc is that the scale and nature of the Johannesburg walk-out demanded a hardline response. Municipal employees are classified as essential workers whose duties include refuse removal, bus driving and maintenance, and sewage disposal. (There ia speculation that Mr. Mavi may even be charged with sabotage.)

A related explanation is that the city council is run on political lines. Although Nationalists are not the largest group, they are an indispensable part of the ruling coalition.

Nevertheless, tbe authorities' uncompromising stand probably goes a lot deeper. The Government appears to be growing increasingly impatient with tbe wave of strikes, boycotts and other forms of civil disobedience wbich have swept South Africa in the past few months.

Cabinet Ministers have hinted that boycotted black schools may be closed indefinitely and their teachers transferred to other areas. The police have given several warnings that their restraint is being tested to the limit, and they are cracking down hard on private taxi drivers in the western Cape who bave helped local commuters maintain a bus boycott for several months.

The authorities' eagerness to keep a tight rein on industrial disputes is not surprising. Industrial action has become an increasingly effective way for blacks to press for shop-floor grievances and vent political frustrations.

As black workers become more organised and more militant (which they appear to be doing), the political overtones of strikes are likely to grow. "The Government has a constant anxiety that tbe labour movement will be politicised." one Western diplomat said. "The trouble is that everything it does seems to further that objective."

The strong business upswing in South Africa up to now has overshadowed employers' concern about mounting labour and political unrest. There is no doubt, however, that the combination of escalating civil disturbances (including such incidents as the sabotage at the Sasol oil-from-coal plants in June) and the Prime Minister's backtracking on his earlier promises of reform are chipping away at business confidence.

Several leading businessmen have publicly warned the Government of the urgency of maintaining the momentum which Mr. Botha appeared to be building up last year. Mr. Dennis Etheredge, then president of the Chamber of Mines, said a little over a month ago that "some of the optimism has regrettahly begun to ebb in the face of signs that the resolve needed to implement these new directions in policy may be lacking."

Growing labour militancy is clearly a fundamental challenge to apartheid. Higher wages for blacks, better working conditions and employer acceptance of black trade unionism will all contribute in the long run to an erosion of segregationist attitudes and policies. Already, the Government has hacktracked on its earlier refusal to register racially-mixed unions.

However, this process is likely to be very long and drawn-out one. The authorities bave repeatedly shown that they have the will and, they believe, the ahility to keep the lid on black labour protests and on other civil disobedience. If past experience is any guide, the changes will come in very small steps.

In tbe absence of signs that Pretoria is about to move more rapidly in creating tbese opportunities, South African employers have begun to reconcile themsalves to a long spell of growing worker militancy and labour unrest.

Letters to the Editor

Forerunners of change

From Mr. W. Fairweather

Sir,—I refer to my letter to you dated April 11, 1980, on the subject of the March banking figures, one of the many critical letters which I have sent to yon in recent times on the subject of hanking policy. I was objecting to the general satisfaction which was being expressed about the restraint which the clearing banks were reputed to be exercising in the issue of new money since their last return. I saw no cause for such satisfaction, for while advances were down by £170m, discount loans were up by £517m and other loans by £511m. Total deposits which I regarded as the real index of money supply were a record £73.5bn, up £830m on the month.

You made no comment on my letter and did not publisb it although I had been a critic of the policy which had given rise to these figures before and since it had been instituted in September 1971. Now your contributor Samuel Brittan is up in arma against some of the clarifications which bave been introduced, long overdue and which if they are properly conceived will be the forerunners of many other cbanges to come incinding budgetary action.

If it has been possible for me to glimpse at what has been wrong why has it not been possible for others to do the same? The effects, in the cost of living, the cost of money (interest rates) trade and employment and the value of the pound at homa and abroad (only high interest rates bave kept the pound up in foreign markets greatly at the axpense of capital formation at home) bave been quite disastrous on almost every department of the economy.

It is therefore of the utmost importance that something should be done soon and at least with the same haste as the competition with credit policy was introduced.

W. L. B. Fairweather.
8, West Grove Avenue, Dundee.

Monetary policy

From Mr. N. Blackwell

Sir,—A consistent line of argument of the Government and of economic commentators base been to stress the linkage of money supply growth to the public sector borrowing requirement, an identity that rules out the independent use of fiscal policy for demand management within fixed monetary guidelines. I believe that in the current economic situation this assumption should be challenged.

Essentially the Government's arguments seem to be that, given a fixed monetary policy, changing the stance of fiscal policy to impact on the real economy through a larger PSBR is not viable due to the offsetting impact of higher interest rates ("crowding out") if monetary effects are to be prevented through a compensating sale of long-term government bonds. According to this view, Keynsian fiscal policies only ever worked to the extent that they were reflected in a abort-term monetary expansion.

My interpretation of Keynsian economics is somewbat different. In all but the simplest Keynsian models the increase in interest rates resulting from a fiscal stimulus is acknowledged: the critical assumption is wbether tbis increase would be large enongh to offset the expansionary effect of, say, a rednction in personal taxes. This expansionary effect is caused by a decrease in the average savings ratio caused by government "dis-saving" (though not necessarily in the total volume of savings if income rises sufficiently) and a net increase in private wealth caused by the issuance of public sector (non-monetary) debt to finance the increased deficit.

Wbether or not the consequent rise in interest rates is sufficient to completely cancel out these effects will be very dependent on tbe state of the economy and investment demand at any particular moment. I raise this issue at the current time precisely because I believa the economy may now be entering a pbase of cbronic demand deficiency and declining real interest rates wbere such a policy is both most appropriate and most likely to work without necessitating any relaxation in monetary control. The Financial Times monthly survey of business opinion (August 4) for example suggests that lack of demand is currently likely to be the major disincentive to invastment and a fiscal stimnlus to private demand could thus (through the "accelerator") actually hava a significant impact in encouraging investment notwithstanding the deterrent effect of marginally bigher level of interest rates than would otharwise occur.

While I would not yet positively advocate a tax cut as a necessary initiative at the current time, I do believe that with a stronger pound now providing greater freedom of domestic policy this is at least a policy option that the UK Government (as in the U.S.) sbould be seriously examining over the next few months as events develop. It is for this reason that I believe it is important that these rather abstract issues of the Government's economic framework should be raised and clarified at this stage.

Norman R. Blackwell.
74, St. Jomes's Street, SW1.

Demerger rules

From Mr. J. Clarke

Sir,—I read with interest Mr. A. Issac's letter of August 7. The axample I quoted July 23 was an extreme position in order to demonstrate tbe principle. Even if there are sufficient realised reserves the distribution of a trade and its assets, or of a trading subsidiary, with inherent unrealised capital profit would deplete the distributing company'a realised reserves and thus reduce the amount available for normal dividends.

It is not correct to say that the issue of shares in B in my example will result in the realisation of the hitherto unrealised profits. The Companies Act 1980 does not define "realised" or "nnrealised" profit and therefore best accounting practice must prevail. This means that profit is realised upon the receipt of cash or assets capable of cash tealisation. It is because the distributing company does not receive money or money's worth tbat the tranaaction becomes a distribution! I still maintain that Section 45 Companies Act 1980 needs amendment.

J. L. Clarke.
Longcrofts,
Capel House,
62, New Broad Street, EC2

Attempts at legislation

From Mr. R. Instone.

Sir,—The teply of Mr. Isaac of the Board of Inland Revenue (August 7) to Mr. Clarke's letter (July 23) depends upon his use of a metapbor wbicb is imprecise and therefore misleading.

To take his own eaample, suppose company A sells to company B for shares of the latter a factory which bas a current value of £1m and a book value of £½m, and so is "pregnant with unrealised profit" to the extent of the other £½m. To be sure, the sale constitutes a realisation of the profit.

But even if the consideration sbares of company B can properly ba regarded aa having a market value equal to 100 per cent of that of the injected asset (a highly questionable assumption in almost any market conditions, and certainly in those of today), only half the consideration sbares represent a distributable profit. And I can find nothing in the Finance Act which relieves company A from tax on the cbargeable gain realiaed on the disposal: the examptions in Part II of Scbedula 18 are confined to tbe distribution of tha sbares of company B to company A's members.

So company A must reserve 15 per cent of those sbares to finance its tax bill, leaving at most 35 per cent of them distributable as a profit. What sort of a demerger is that?

Tha position is the sama if company A has previously written down the factory to nil; for the unnecessary depreciation must first be re-credited to revenue before arriving at the capital profit distributable as sucb: *Dixon v IRC* (1937), 21 T.C. 365.

It might have been supposed that the bistory of the Revenue's attempt at legislating for preference dividends in the Finance Act 1972 (do you remember Sime Darby, Mr. Isaac?) would bave taugbt it the folly of dreaming up new company law in Somerset Housa without taking proper advice. How mucb more of this can we expect before, the lesson is learnt?

Ralph Instone,
7 New Square,
Lincolns Inn, WC2.

Seamless steel pipe

From Mr. D. Henderson

Sir,—I read with interest (Oil boom boosts Japan's seamless steel pipe sales, August 5) that Japan is now third in the world league of seamless pipe producers, exports 80 per cent of its production, and plans to expand.

If Japan with no oil resources of its own worth speaking about sees opportunity for expansion, what is Great Britain, surrounded on nearly all sides by oil and gas reserves that could, or should, provida a ready domestic market for its products doing aboot the situation?

The major part of the UK's seamless pipe industry is derived from the entrepreneurial former Stewarts and Lloyds Company now tbe tubes division of British Steel Corporation much of wbose equipment is ageing rapidly. The speed of replacement is not matching either the ageing of the outworn plant or the growth of the market that Japan is ready, willing and able to exploit.

How can it wben the steel industry as a wbole is carrying the hurden of losses and debt that it does? Yet if there is an industry that offers an open door to development it is surely the energy industry in general and the oil industry in particular.

Recently in Italy I saw a newly commissioned pipe mill embodying the very latest technology spewing out 40 foot long seamless pipes some 10 inches in diameter at the rate of one every 40 seconds. Italy, like Japan, is without oil or gas reserves worth speaking about and yet is exploiting opportunity in every way that it can.

The steel industry in the UK is state owned and the state controls and manages or mismanages it according to its successes or failures througb a corporation, but it is the state tbat, baving taken over tbe industry from private bands, must accept final and total responsibility for it, no matter how it chooses to administer the industry. This letter is a plea to those that have the final authority over the industry to distinguish between the wheat and tbe chaff, and to exploit the opportunity that otbers see so clearly, while there is still time, but time for reaolntion, not vacillation.

David Rowan Henderson.
Dunmore House,
Fintry, Stirlingshire.

Gifts to Parties

From Mr. L. Fialko

Sir,—I was interested to read the contents of the report (August 4) beaded "Conservatives given £2.5m by companies." The last paragrapb refers to the fact that Labour Research could find no companies giving money to the Labour Party, but the fact is that a limitad company named the League Against Cruel Sports actually gave the Labour Party no less than £80,000.

L. Fialko.
Fialko Buros and Co.,
Broadway Chambers,
245-247, Cricklewood Broadway, NW2.

Dying Chambers of Trade

From Mr. S. Waddle

Sir,—Our local Chamber of Trade died a year ago; from lack of interest, so are many others.

Multiple retailers are not interested in local affairs, their lack of support means that the opinions of the small business commnnity are no longer heard in local affairs. Some of their costly investment in these high street sites may eventually be at risk through failing to support.

For less than the cost of say one clerk per company they could bring life back to these organisations nationally.

S. Waddle,
Park Chemists,
1, Elmwood Grove,
Whitley Bay, Tyne and Weor.

Today's Events

GENERAL

UK: White Fish Authority publishes annual report.

British Furniture Manufacturers Trade Exhibition, Belle Vue Leisure Park, Maochester (until August 13).

Londoo Festival Ballet season opens, Royal Festival Hall (until September 4).

Puppet Week opens, Battersea.

Overseas: U.S. Democratic Party conveotioo opens, Madison Square Gardens, New York.

Mr. Nicholas Ridley, Foreign Office Minister, visits Belize for talks on colony's future.

International Fisheries Fair opens, Oslo (until August 17).

OFFICIAL STATISTICS

Department of Industry issues wholesale price index numbers (July—provisional). Department of Trade publishes hire purchase and other instalment credit business for June; final figures for June retail sales. Treasury publishes July central Government transactions (including borrowing requirement).

COMPANY MEETINGS

See Financial Diary on page 15.

COMPANY RESULTS

Final dividends: Hallite Holdings. Howard Shuttering (Holdiogs). Property Security Investment Trust. Interim dividends: Broadstone Investment Trust. Comben Group. Manchester Ship Canal. Nottingham Manufacturing. Transport Development Group. Interim figures: Murray Western Investment Trust.

SPORT

Cricket: Fifth Cornhill Test, Eogland v West Indies, Headingley. Surrey v Australia, at the Oval. MCC v Scotland, at Lord's.

Bowls: English National Championships—Men, Worthing; Women, Leamington Spa.

LUNCHTIME MUSIC, London

Piano recital by Valerie Pardon, St. Lawrence Jewry, Gresham Street, 1.00 pm.

Organ recital by Jonathan Rennert, St. Michael's Cornhill, 1.00 pm.

SE probe into Irish brokers

Butler and Briscoe, brokers to the Irish Government, confirmed yesterday that an investigation into the firm has been conducted by the Loodon Stock Exchange, following allegations by an ex-employee.

In a statement yesterday Butler and Briscoe said that an inquiry was carried out by a committee appointed by the London Stock Exchange, arising from allegations obtalned in a letter from Mr. James Cummins, an ex-employee.

Butler and Briacoe said that it bad co-operated fully with the committee and made available all records. Partners and staff also made themselves available for interview by the committee.

The statement added: "We helieve this will prove to the committee that there is no substance in the allegations made."

Tha firm was in discussions with its legal advisors as regards what legal action should be brought against Mr. Cummlns.

BRENGREEN ACCEPTANCES

Acceplances of the recent rights issue by Brengreen (Holdings) have heen received for over 93 per cenl of lhe 5m new ordinary 10p shares offered.

The balance of the shares not taken up has heen sold and lhe excess over the subscription price, nel of expenses, of ahout 9p per share will be distributed among shareholders in accordaoce with their respective entitlements.

John Brown's gearing gives more flexibility

The healthy gearlng at John Brown & Company, gives the group operational flexibllity in great depth, "an invaluable strength in today's trying circumstances," Mr. John Mayhew-Sanders, chairman, tells shareholders in his annual report.

The multi-national engineering group is better able to fund the effects of inflation on working capital, adopt aggresslve pricing policies when required and can afford from time to time to carry volumes of stocks sufficient to maintain more slable and efficient levels of production and employment.

Term borrowings of the group now total a lltlle over £50m arising mainly from the financing of the Leesona acquisitinn while net bank balances and short term investments at March 1980 were only slightly lower than a year ago, at around £29m.

For the year to March 31, 1980, the group reported pre-tax profits of £21.1m, against £28.37m.

CCA profits is reduced to £15.84m (£22.77m) after adjustments for depreciation, £3.52m (£3.1m), cost of sales, £5.43m (£3.85m) and gearing, £3.65m (£1.35m).

Meeting, 4, The Sanctuary, S.W., September 5 at 12.30 pm.

FT Share Information

The following securities have heen added to the Share Information Service appearing in the Financial Times:

Merrill Lynch (Section: Americans). S.P.O. Minerals (Mines—Miscellaneous).

BOARD MEETINGS

The following companies have notified dales of board meetings to lhe Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims — Broadstone Investment Trust, Comben, Manchester Ship Canal, Murray Western Investment Trust, Nottingham Manufacturing, Transport Development.

Finals—Gold Fields Property, Hellin, Howard Shuttering, Property Security and Investment Trust.

FUTURE DATES

Interims—

Alcan Aluminium (U.K.) ...... Aug. 29
Automotive Products ...... Aug. 14
Koda International ...... Aug. 28
Queens Moat Houses ......†Aug. 25

Finals—

AGB Research ...... Aug. 14
Carrington Investments ...... Aug. 14
Ferry Pickering ...... Sept. 24
Imry Property ...... Aug. 13
Webb (Joseph) ...... Aug. 13

† Amended.

Sekers selling property to help cut borrowings

A review of properties belonging to Sekers International has been made, particularly those in London where space coats remain high, Mr. Gordon Hay, chairman, says in his anoual report.

It is already evident that the group should he able to realise part of its leasehold premisea during the curreot year with a substantial excess over book values, says Mr. Hay.

The integration of lhe David Evans Group is progressing satisfactorily, with demand remaining high for their woven and printed silk fabrics for the menswear trade, particularly in the U.S., despile currently unfavourable exchange rales.

For the year ended March 31, 1980, pre-tax profita amounted to £401,000, against £472,000 on turoover of £8.68m (£7.34m). The results included David Evans from January 4 and the contribution was in line with expectations at the time of acquisition.

The year-end halance-sheet shows bank overdrafts of £3.3m against £904,000 in the prevlous year. Included is some £600,000 representing the cash element of the purchase consideration for David Evans, plus interest.

The chairman says negotiations are in hand to convert this and a significant proportion of the overall facility into longer-term loans. It is expected that group borrowings will be reduced io the current year, assisted in part by the property realisations.

Meeting, Connaught Rooms, WC, September 9 at noon.

Offer for sale fails to catch Scottish fishermen's interest

THE offer for sale by the Fisberman's Petroleum Company —a vehicle to provide an opportunity for Scottish fishermen to participate in North Sea exploration—was undersubscribed when lists closed. The offer of 600,000 shares at £1 each attracted applications for 300,400 sbares.

The offer, which was not uoderwritten, was open only to individuals or companies involved in the Scottish fishing industry.

As a result of the offer's partial success, the company has now been offered a 3 per cent stake ln a consortium which plans to apply for one or more liceoses lo the Seventh Round of North Sea licencing. The company originally envisaged a stake of up to 4 per cent if the offer was fully subscribed.

The operator of the consortium will be Kerr-McGee wbich will take a 45 per cent interest. The remaining 55 per cent will be held by UK companies.

If the company succeeds in obtaining a licence it will seek to have its sbares traded under Slock Exchange Rule 163(3)—a rule specifically applying to exploration companies. It is hoped that dealing could comence at the beginniog of 1981.

If no blocks are offered to the consortium or if the terms should "unexpectedly prove not acceptahla" the company will return the fnnds to subscribers together with accrued interest.

Birmingham Mint to expand production

THE re-equipment programme at the Birmingham Mint will yield henefits in terms of improved productivity, while at the same time providing substantial additional capacity for expanded production of coins and hlanks, Mr. B. J. Bard, chairman, tells shareholders.

Some £1.5m is beiog invested in the programme, due for complction this year, and is mainly for a new rolling mill, together wilh associated blanking, cleaning and anneallng plant.

Despite this expenditure, the halance sheet shows sufficient liquid funds lo lake advanlage of further opportunilies for expansion, the chairman says.

In the year ended March 29, 1980, pre-tax profits improved from £689,566 to £910,525 from turnover of £10.82m compared with £10.59m. CCA profits are cut to £530,000 after adjustments for cost of sales £45,000, monetary working capital £81,000 and depreciation, £255,000.

The balance sheet shows reserves of £2.74m (£2.29m) with short-lerm deposits of £699,995 (£1.26m) and bank balances and cash of £58,246 (£29,011).

Since the year-end, Mint Components has bean closed. This subsidiary which made trim and nameplates for consumer durahles suffered severely from reduced activity in the UK domestic appliance industry. Costs of closure amounting to £75,000 are provided as extraordinary items in the 1979-80 accounts.

Meeting, Birmingham, September 4, at noon.

G. M. Firth balance sheet shows improving trend

The increase of net tangible assets to 86p per share, supported by net current assets of £2m and in particular cash amounting to £1.16m—44p per share—are disclosed by Mr. G. M. Leadbeater, chairman of G. M. Firth (Metals) Bradford steel stockholders, in his anoual statement for the year to March 31, 1980.

"When considering this substaotial strength you will perhaps share your directors dissatisfaction with the prevalling share price," says Mr. Leadbeater.

"We contioue to put liquidity before growth, and we will go oo doing so until we see the returos avallable matching, generally, the risks involved." The chairman says he bas no doubt that the policies the group bas been following for some time are right.

"This is not to say that profits cannot be made in steel and in those areas where we believe this is possible, we still trade actively," Mr. Leadbeater adds.

Mr. Leadbeater says that the group's property business develops steadily, "though we are mindful of the economic climate and we are careful to stay in geographical areas we know well."

Profits before tax for the year ended March 31, 1980, amounted to £177,156 compared with £183,560. Turnover was £5.7m against £7.26m. Steel stockholding and merchanting contributed £5.48m of turnover and some £141,225 in profit while property dealing contribution was £211,922 and £35,931.

The balance sheet shows cash at bank and in hand of £1.16m (£341,578), while total share capital and reserves stand at £2.3m (£2.2m).

BRITISH NATIONAL LIFE INSURANCE

AGREEMENT IN principle bas beeo reached under which Armco Inc. subsidlary British National Life Insurance Society, would acquire Pioehurst Corporation's two London-based subsidiaries, North Atlantic Insurance Compaoy, and North Atlantic Managemeot Company.

North Atlantic Insurance underwrites property and casualty reinsurance and is managed by NAMC.

Armco of Ohio which ls a diversified steelmaker, fabricator, oilfield equipment manufacturer and financial services company was advised by Bankers Trust International which also initiated the deal.

SPAIN

1980 High	1980 Low		Aug. 8 Price %
228	203	Banco Bilbao	226
258	217	Banco Central ...	248
220	203	Banco Exterior ...	210
230	200	Banco Hispano ...	224
137	117	Banco Ind. Cat. ...	120
175	141	Banco Madrid	141
282	237	Banco Santander...	276
190	136	Banco Urquijo......	138
238	208	Banco Vizcaya ...	236
215	200	Banco Zaragoza ...	214
106	75	Dragados	97
63	58	Espanola Zinc	63
66	53.2	Fecsa	62
40	23.2	Gal. Preciados ...	23.5
71.7	58.7	Hidrola	67.2
68.2	57.5	Iberduero	61.5
120	100.7	Petroleos	111
92	53	Petroliber	87
115	107	Sogefisa	107
65.5	51.5	Telefonica	65
67.5	58.2	Union Elect.	67.2

Fall in imports 'helping balance of payments'

BY DAVID MARSH

THE FALL in demand for imports caused by the recession is expected to swing Britain's balance of payments on current account into a small surplus this year, which is likely to increase in 1981, according to the Henley Centre for Forecasting.

The Centre identifies this as one of the few bright spots on the economic horizon. It forecasts in its latest report that there will hs no significant upturn in the economy until the end of next year, with recorded unemployment likely to exceed 2m for most of 1981. Output is expected to rise only 0.3 per cent next year, after a drop of more than 2 per cent in 1980.

The Centre also sounds a warning note on inflation. The year-on-year increase in retail prices is likely to have slowed to 17 per cent last month, it believes, as a result of last year's VAT rise dropping out of the annual comparison.

But inflation is still expected to remain above 13 per cent during the next 18 months. This mainly reflects the forecasting group's helief that sterling will fall significantly from its present high level and that unit lahour costs for the economy as a whole will rise 14.5 per cent next year.

Stockbroking firm Laing and Cruickshank, in its latest economic review, is optimistic about the inflation outlook, mainly because of its assumption that sterling will remain strong. It forecasts a drop in the annual rate to 11 per cent by 1981, although it thinks there is only a small chance of a further sharp fall in 1982.

The firm believes the twin impact of recession and high interest rates will have a further debilitating effect on corporate liquidity next year.

Laing and Cruickshank suggests that one way to prevent increased company borrowing from inflating the money supply would be through a rebirth of the corporate debenture market under which companies raise long-term fixed interest loans from outside the banking sector.

On interest rates, the brokers predict that Minimum Lending Rate will still be redneed to 14 per cent hy the end of the year, in spite of the 5 per cent increase in money supply last month. There will, however, be no collapse in interest rates along the lines of the dramatic fall in the U.S.

Public Works Loan Board rates

Effective from August 9

Years	Quota loans repaid by EIP†	Quota loans repaid At‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid At‡	Non-quota loans A* repaid at maturity§
Up to 5	13¾	13¾	13¾	14¼	14¼	14
Over 5, up to 10 ...	13¾	13¾	13¾	14	14¼	14
Over 10, up to 15...	13¾	13¾	13¾	14¼	14	13¾
Over 15, up to 25....	13¾	13¾	13¾	14	13¾	13¾
Over 25	13¾	13¾	13¾	13¾	13¾	13¾

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payment of interest only.

CORAL INDEX: Close 481-486 (+4)

INTERNATIONAL BONDS

BY NICHOLAS COLCHESTER

Rest and quiet helps the convalescents

THE EURODOLLAR bond market continued its convalescence last week and may now have reached a stage where a few faltering steps upwards and even a mild issue or two may once again be in order.

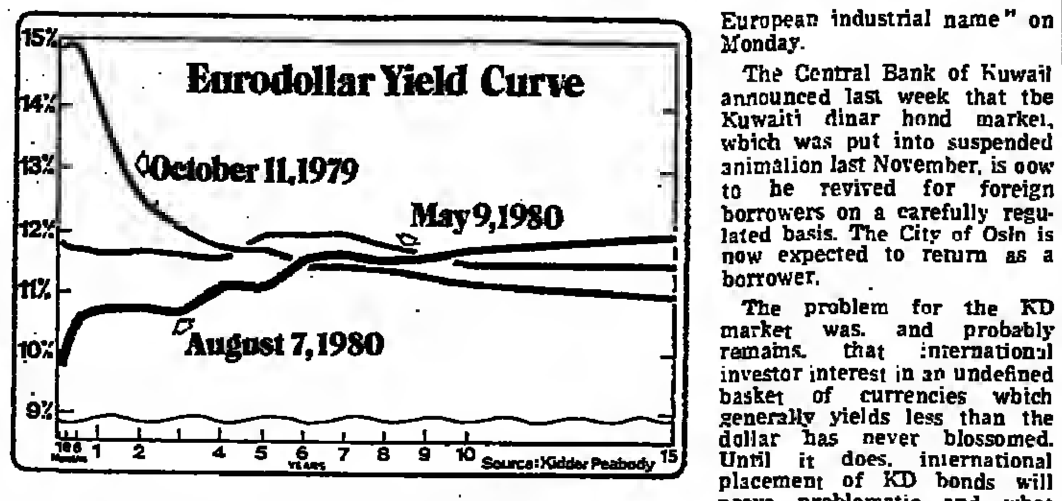
The cure to the excesses of late June, when an unprecedented fall in U.S. short-term interest rates prompted a frenzy of trading and issuing, has now gone quite a long way. The great issuing binge started at yields of 13¾ per cent after Easter and took them down to 9¾ per cent. Today a prime borrower would probably have to pay 11½ per cent, or a little more, to protect the still aching investment banks from a relapse.

The secondary market moved very little last week—on average prices dropped by ⅝, but on the last two days they barely shifted at all. There were no shocks to the market from the massive Treasury funding arranged in New York—although the U.S. Treasury's decision to borrow for 10 years rather than seven was slightly discomforting. Short-term interest rates stabilised with the six-month Eurodollar rate closing at 10⅝ per cent, compared with 10¾ per cent a week earlier. Certainly, there was no repeat of the rise in rates which had jolted the market the week before.

One Eurodollar rate which did move upwards was the five-year rate, rising from 11¾ per cent to 12¼ per cent. Some attributed this directly to the five-year paper for International Harvester, the only new fixed interest dollar bond around. Morgan Stanley expressly excluded call provisions from this bond to attract banks into it and many arbitraged comfortably between five-year Eurodeposits and the bond yield of up to 13¼ per cent. Banks took about half the issue and this may be one reason why the bond held up so well in the secondary market.

The only other dollar issue of the week was also bank orientated—a hefty $250m floating rate note for the Italian state railways paying ¼ per cent over six-month Libor and convertible into a 9¾ per cent straight bond when happier days are here again.

In the D-Mark sector of the market, sustained expectation among German investors that the Bundesbank will allow interest rates to sink supported the market from Wednesday onwards. Prices were up by about ¼ per cent over the week. The required yield for a prime foreign bond issuer now stands at 7.8 per cent for 10 years. This is dead in line with the figure for German issuers, suggesting that the market is relying on German investor support at the moment.



Indeed, so far as the foreign investor is concerned, the D-Mark market currently presents the unappealing combination of one of the weaker currencies in the EMS and one of the lower bond yields. The French franc, for instance, is now riding high in the EMS with a yield to maturity on the latest Aeroport de Paris bond of 13.07 per cent.

The pound sterling, too, remains very strong and Eurosterling bonds offer impressive long-term yields. The domestic tremors over the money supply figures released by the unlacing of the "corset" shook domestic investors but probably meant rather less to foreigners. Prices in the Eurosterling bond market bounced back at the week's end to repair most of the damage done. On Friday the Citicorp bond was yielding 13½ per cent and the Peugeot bond just over.

Although the yields in the D-mark sector average around 8 per cent, German bankers are confident that the relatively heavy calendar of the new issues they have set themselves for August can be coped with provided the names are good. Deutsche Bank is due to unveil a public bond for a "good European industrial name" on Monday.

The Central Bank of Kuwait announced last week that the Kuwaiti dinar bond market, which was put into suspended animation last November, is now to be revived for foreign borrowers on a carefully regulated basis. The City of Oslo is now expected to return as a borrower.

The problem for the KD market was, and probably remains, that international investor interest in an undefined basket of currencies which generally yields less than the dollar has never blossomed. Until it does, international placement of KD bonds will prove problematic and what aspires to be an irrigation centre will still be regarded as a water hole.

● Merrill Lynch International revealed on Friday that Mr. Walter Burkett is to succeed Mr. Jo Galazka as executive director of trading. Mr. Galazka is retiring to become managing director of Cedel in Luxembourg. The appointment of Mr. Burkett, who currently heads MLI's fixed income institutional sales group, implies that control of MLI's institutional sales effort will be transferred from Paris to London, where it can be more directly harnessed to issuing activity.

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m	Maturity	Av. life years	Coupon %	Price	Lead manager	Offer yield %
U.S. DOLLARS							
‡Intl. Harvester O'seas Fin. Co. NV	115	1985	5	12¾	99½	Morgan Stanley	12.982
‡§Inchcape (Bermuda)	40	1995	15	8	100	Baring Bros.	8.000
‡†Ferrovie dello Stato	250	1988	7½	5½	100	S. G. Warburg, Soditic, IBJ Intnl.	5.319
D-MARKS							
‡**Oesterreichische Kbk.	100	1988	8	7¾	99½	Bayerische Hypotheken und Wechsel-Bank	7.837
FRENCH FRANCS							
‡Aeroport de Paris	150	1987	7	13¼	100½	CCF	13.068
SWISS FRANCS							
‡Republic of Finland	80	1990	—	5⅝	99½	Credit Suisse	5.658
‡SEAS	25	1990	—	6	100	Banque Gutwiller Kurz, Bungener	6.000
‡**§Ushio Electric	20	1986	—	5⅜	100	SBC	5.375
‡Republic of Austria	100	1990	—	5⅜	100	SBC	5.375
STERLING							
‡§Orient Finance	15	1995	15	8	100	CSFB	8.160
Rothschild Inv. Tst.	12	1990	8	14½	*	S. G. Warburg	*
GUILDERS							
‡**F. G. Hypotheekbank	60	1987	7	9¾	99½	Bank Mees en Hope	9.904

* Not yet priced. ‡ Final terms. † Floating rate note. ○ Minimum. § Convertible. †† Registered with U.S. Securities and Exchange Commission. ¶ Purchase Fund. Note: Yields are calculated on AIBD basis.

U.S. BONDS

BY IAN HARGREAVES

Limelight on prime rate

THE U.S. credit markets settled down somewhat last week, or at least found a haven of calmer water in the middle of the current turbulence of facts and forecasts about the outlook for the U.S. economy and for interest rates.

The most eye-catching development of the week was the first upward movement in the prime rate for four months. Chemical Bank on Monday and then Chase Manhattan on Thursday lifted their rates to prime borrowers by ½ point to 11 per cent, the level at which all the other major banks were already sitting.

That development, of course, was a product of upward pressure in short rates from the previous week, when three-month certificates of deposit advanced a whole percentage point to around 9.5 per cent. But it meant that on Monday, the market's mind was heavily focused upon the question of whether rates would continue to rise as the economy continues to show signs of emerging from recession.

The week was also overshadowed by the presence on Tuesday to Thursday of a three-part $8.2bn Treasury refinancing, which combined with the volatility in rates the week before was enough to convince corporate treasurers and their advisers to hold out most of the $1.4bn of corporate debt issues planned for last week.

The Treasury issues themselves sold well in the shorter maturities, but the 30-year bond required a price cut to move it—an ominous indication for longer corporate bonds due this week.

The fact that most corporate issues were held back last week, however—and also that interest rates did wander fractionally lower—suggests a blockbuster calendar of new corporate issues this week of around $1.8bn.

The slightness of the week's declines, as shown in the table, and the lightness of the trading on most days, offered little in the way of auguries for the way the market will respond to a heavier diet of business.

The one economic indicator of the week, showing a $3.46bn drop in outstanding consumer credit in June, a record monthly drop, was one for the scorecards of those who remain unconvinced that the economy is really on its way up again.

The July producer price index comes out on Friday, an inflation index which is expected by economists to show a nasty increase of around 1.3 per cent, reflecting big increases in U.S. food prices. Although the outlook for the July and August consumer price index figures are better because they will reflect lower interest rates of recent months, the inflation picture remains cloudy, to say the least.

Next Friday will also bring the release of the M2 money supply figures for July. According to Chase Manhattan's money market analysts, this will show a rate of expansion for the broad money measure at the very top of the Fed's range of tolerance, which would be another negative factor for interest rates.

U.S. INTEREST RATES (%)

	Week to Aug. 8	Week to Aug. 1
3-month Treas. Bill	8.42	8.95
3-month CDs	9.20	9.10
Federal Funds wkly. average	8.74	9.68
Treas. 30-year bonds	10.62	10.60
Lng-trm. AAA utility	12.00	12.00
Lng-trm. AA indstrl.	11.66	11.65

Source: Salomon Bros. estimates.

CREDITS

BY FRANCIS GHILES

Margins bounce along the bottom

ENEL, Italy's electricity utility, has awarded a mandate to Bankers Trust to arrange a $300m eight-year loan on a split margin above the U.S. prime rate of ⅜ per cent for the first four years rising to ½ per cent. These terms are identical to those payed by ENEL on a slightly larger loan it arranged last autumn and suggest that not all borrowers can claim ever finer margins. If well received, the amount of this loan could be increased.

Banks sometimes prefer the U.S. prime to the London inter-bank offered rate as a base over which to calculate the margin they charge to borrowers. It has the advantage of having a built-in profit element, especially at a time when U.S. prime rates move down much more slowly than U.S. interest rates in general.

The last major loan for which the U.S. prime rate was used in preference to Libor was a $250m Eurocredit for Hungary last winter.

A fall in the margin which a borrower pays to the banks does not always mean that he is raising money more cheaply: Gaz de France, which has arranged a $200m 10-year loan on a split spread of ⅜, ⅜ and ½ per cent, is, in fact, paying more than Credit National, which recently completed a $125m seven-year loan that included a spread of ⅜ per cent. This is because the maturity, spread and fee structure of the loan is more expensive than the finest element in the margin would lead one to believe. The weighted average return to the banks on the Gaz de France loan was 0.41 per cent compared with 0.39 per cent for the Credit National one.

Loans with fine margins are, however, selling well: Midland Bank rapidly placed the DM 200m five-year loan for Ireland's Industrial Credit Company which carries a margin of ⅜ per cent throughout. It was only mandated for the credit 10 days ago.

One country which has improved the terms on which it can borrow is Argentina. The latest $250m eight-year loan boasts a split spread of ⅝ and ¾ per cent. This marks an improvement on the terms recently offered to the Argentine electrical services company, SEGBA, which is still in the market and moving slowly. But then a loan for a sovereign has traditionally included finer terms than those for other borrowers from that country. The next loan for an Argentine borrower is expected for Yacimientos Petroliferos Fiscales.

The impression that Argentina is paying as fine terms as Mexico may be mistaken because the United States of Mexico has not recently been in the market. Argentina is certainly paying finer terms than Venezuela, whose recent $1.8bn jumbo included a split spread of ⅜-⅝ per cent. Bankers blame Venezuela for having got its borrowing into such a state of confusion and that it pays more than its oil income would appear to warrant.

The $100m loan for Ecopetrol of Colombia is meeting with a fair reception: six managers have already committed themselves for $7½m each. Meanwhile, the $150m loan for Telebras of Brazil is expected to be increased to $160m-odd this week. This should be followed by a loan for Sidebras but there is no sign yet of the mooted jumbo for the Republic of Brazil.

Qatar is expected to pay off later this month the remainder of the $175m loan to Qatar Petrochemical Company. The decision to prepay the loan follows an earlier move this year to pay off the remainder of a $350m loan which was made to Qatar's state petroleum and petrochemical corporations.

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit. Oxygen Fi. 10¼ 90	50	87⅞	88⅜	−0¼	−1	12.93
CECA Grad. Rate 12 86	100	96¾	97¼	−0⅛	−0⅞	11.89
CECA 11½ 90	50	95¾	96¼	0	−0½	12.29
CECA 11½ 88	100	97⅝	98⅛	0	−0⅜	11.89
Citicorp O/S Fin. 10 88	300	92⅛	92⅝	+0⅛	−0⅜	11.86
Con. Illinois O/S 9¾ 86	150	90¾	91¼	−0⅛	−0⅛	11.96
Denmark 11¾ 90	100	96⅛	96⅝	0	−0¼	12.39
Dome Petroleum 13½ 92	50	100⅛	100⅝	−0⅛	−0⅝	13.38
EEC 11 95	75	92⅜	92⅞	−0⅛	−1	12.08
EIB 11½ 92	90	93¾	94¼	0	−0⅞	12.74
EIB 13¾ 90	100	104½	105	−0⅛	0	12.84
Eksportfinans 11½ 87	50	97½	98	−0⅛	−1	11.73
Eksportfinans 9½ 87	75	89⅜	89⅞	−0⅛	−1	11.76
Elec. de France 10 88	125	92	92½	0	−0⅛	11.54
Export Dv. Cpn. 12¾ 87	100	103½	104	0	−1	11.88
Export Dev. Cpn. 9¾ 86	150	91¾	92¼	0	−1⅛	11.63
Federal Dev. Bk. 12¾ 85	75	101⅞	102⅜	−0⅛	−0⅛	11.65
Fin. Exp. Credit 10⅛ 85	50	95⅛	96⅛	−0⅛	−0⅛	11.64
Finland Rep. of 9½ 86	100	89⅜	89⅞	0	−0⅛	12.12
Ford O/S Fin. 12⅛ 85	250	98⅜	98⅞	−0⅛	−0⅛	13.03
George Weston 13½ 87	70	100⅝	101⅛	0	−0⅛	13.27
GMAC O/S Fin. 11 84	100	98⅛	98⅝	+0⅛	−0⅛	11.41
GMAC O/S Fin. 13¼ 86	100	104	104½	0	−0⅛	12.09
Goodyear O/S 12½ 87	75	97	97½	0	−0⅛	13.11
Hudson's Bay 11½ 90	75	94½	95	−0⅛	−1¼	12.44
IBM Canada 10½ 85	50	97½	98	0	−1⅛	11.11
ICI Fin. Ned. 11 83	100	99	99½	−0⅛	−0⅛	11.29
McGraw 13½ 85	75	100½	101	0	−0⅛	13.23
Norwest Ind. 13⅝ 87	50	99½	100	−0⅛	−0⅛	13.64
Nova Scotia 10⅜ 90	50	91⅜	91⅞	+0⅛	−0⅛	12.25
OKB 10 85	50	95⅞	96⅜	−0⅛	−0⅛	11.05
Pembroke Capital 9⅜ 87	100	92½	93	+0⅛	−0⅛	11.18
Pemex 11½ 88	100	95½	96	−0⅛	−0½	12.36
Quebec Hydro 11⅛ 92	100	93⅞	94⅜	0	−1⅛	12.46
Repsteel O/S 11½ 86	100	90⅛	90⅝	0	−0⅛	13.52
Royleaso Ltd. 11⅛ 85	50	98⅜	98⅞	+0⅛	−0⅞	11.61
SNCF 12¾ 85	50	102⅞	103⅜	0	−1⅛	11.52
Swed. Ex. Cred. 12½ 85	40	101⅛	101⅝	+0⅛	−0⅛	12.06
US Finance BV 11 90	50	87⅝	88⅛	0	−0⅛	12.23
Unilever NV 9¾ 90	100	88⅜	88⅞	+0⅛	−0⅛	11.74
World Bank 9¾ 85	200	94⅞	95⅜	0	−0⅛	11.08
World Bank 10⅛ 87	300	94⅞	95⅜	+0⅛	−0⅛	11.29

Average price changes.. On day 0 on week −0⅝

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Akzo 9 90	125	†102½	103	−0⅛	−0⅞	8.58
Australia 8⅛ 90	250	103⅜	103⅞	+0⅛	+0⅛	7.59
BFCE 7¾ 87	100	100⅛	101	−0⅛	+0⅛	7.61
BFCE 8¾ 95	100	100⅞	101⅜	+0⅛	+0⅛	7.97
Brazil 8 87	150	93	93¾	0	−0⅛	9.33
Council of Eur. 7⅛ 88	100	96½	96⅞	−0⅛	0	7.81
Denmark 7⅞ 86	100	†98¾	99⅛	0	−0⅛	8.03
Denmark 8⅛ 92	100	†99½	100½	+0⅛	+0⅛	8.24
EEC 7⅛ 94	225	99⅜	100⅜	+0⅛	+0⅛	7.90
EIB 7½ 88	200	97¾	98	+0⅛	−0⅛	7.84
Finland, Rep. of 8 86	150	100⅝	101⅛	+0⅛	+0⅞	7.83
Kobe, City of 7⅛ 89	150	98	98¾	+0⅛	+0⅛	7.99
Kobe, City of 8 90	100	100½	101	+0⅛	0	7.88
Mt. Bk. Denmark 8½ 90	150	100⅛	101	0	−0⅛	8.38
Norway 7½ 86	250	100⅛	100⅝	0	0	7.31
OKB 7¾ 89	100	96⅞	97⅜	−0⅛	0	7.88
OKB 8⅛ 92	150	100½	101	−0⅛	−0⅛	8.15
Oslo, City of 8¾ 90	90	102⅛	103	+0⅛	+0⅛	8.81
Sweden 9¾ 87	200	†108⅜	108⅞	+0⅛	+0⅞	8.03
World Bank 7¾ 91	400	98⅝	99⅛	+0⅛	−0⅛	7.90
World Bank 7⅞ 90	250	99⅜	99⅞	0	0	7.84
World Bank 10 88	150	108½	108⅞	−0⅛	−0½	7.99
World Bank 10 90	200	112⅞	113⅜	+0⅛	+0⅛	8.03

Average price changes... On day +0⅛ on week 0

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 86	90	92	92⅜	−0⅛	−2⅛	5.68
Bergen, City of 4¾ 91	40	93	93½	0	−1	5.59
Bergen, City of 8 90	50	104	104½	+0⅛	+0⅛	5.44
BNDE 5 89	75	85	85½	+0⅞	−0⅛	7.30
BMW Overseas 4¾ 91	100	92⅝	92⅞	−0⅛	+4⅛	5.12
Buhrm'n-Tetterode 7 90	40	105½	106	0	0	0.10
Caisse Nat. Tels. 4⅞ 89	100	94½	95	+0⅛	+0⅛	5.11
Copenhagen 4½ 91	60	89	89⅛	−0⅛	−1⅛	5.82
Council of Eur. 5 89	100	95	95½	−0⅛	−0⅛	5.69
Denmark 5¾ 90	90	100	100½	+0⅛	+0⅛	5.73
EIB 4½ 91	100	91¾	92	+0⅛	−1⅛	5.51
EIB 4¾ 84	100	88¾	88½	+0⅛	−0⅛	5.59
Elec. de France 4¾ 89	100	94⅛	94½	+0½	−0½	5.17
F. G. H. Hypo. Bk. 6 90	50	†103	103¾	0	−0⅛	5.58
GZB 4⅛ 89	100	90	90½	−0⅛	−1⅛	5.63
Hilti 4½ 91	35	94	94½	+0⅛	+0⅞	4.91
Int.-Amer. Dev. 4½ 89	100	91½	92	+0⅛	+0⅛	5.70
Int.-Amer. Dev. 7 90	80	106	106½	+0⅛	−0½	6.14
Jutland Tele. 5½ 90	50	99	99½	0	−0⅛	5.58
Malaysia 5 89	80	88½	89	+0½	−0⅛	9.68
Naweg 5¾ 90	80	101¾	102	0	+0⅛	5.50
Nippon Tel. & T. 4¾ 89	100	94¾	95	+0⅛	−0½	4.98
Nordic Bank 5 89	45	97	97½	+0⅛	+0⅛	5.41
Norges Komm. 4¾ 91	100	92	92½	−0⅛	−0⅛	5.31
OKB 4¾ 91	100	91¾	92	−0⅛	−0⅛	5.36
OKB 6 90	100	103⅛	103⅝	+0⅛	0	5.55
Oslo, City of 4⅞ 91	100	89	89½	0	−1	5.70
Sekisui Pre. Hms. 6 90	80	102¾	103	+0⅛	+0⅛	5.61
Shikoku El. Pwr. 4¾ 89	100	96½	97	+0½	+0⅛	5.21
World Bank 4¾ 89	100	96	96½	+0⅛	−0⅛	5.14
World Bank 4⅝ 89	150	91	91½	+0⅛	−0⅛	5.64
World Bank 4¾ 91	100	91	91½	−0½	−0⅛	5.70

Average price changes... On day +0⅛ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.9 83	30	91⅞	93⅛	0	−0⅛	8.39
Australia 6½ 88	20	87⅞	89⅜	0	+0⅛	8.83
EIB 7¾ 89	12	95¼	96¾	0	−0⅛	8.39
Finland 5.6 83	10	91⅛	92⅜	0	0	8.64
Finland 8.8 88	10	88⅜	89⅝	0	+0⅛	8.66
Finland, Rep. of 8⅛ 87	15	96¼	97½	0	+0⅛	9.00

Average price changes.. On day 0 on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¼ 86 C$	60	83½	84	0	−0⅞	12.24
CIBC 13½ 85 C$	50	101⅞	102⅜	0	−0⅛	12.84
CIBC 11½ 85 C$	90	98	98½	+0⅛	−0⅛	12.52
Federal Dev. 11½ 90 C$	60	93¾	94¼	0	−1	12.68
Fst. Can. Inv. 10 84 C$	50	91⅞	92⅜	0	−0⅛	12.72
GMAC 12 85 C$	50	†97½	98	+0⅛	−0½	12.92
R. Bk. Canada 10 86 C$	40	92⅛	92⅞	+0⅛	−0⅛	11.81
Tordom Cpn. 13½ 86 C$	30	102	102½	+0⅛	0	12.80
M. Bk. Dnmk. 9 81 EUA	25	93	94½	0	−0⅛	9.93
SOFTE 8¾ 89 EUA	40	88⅛	89⅛	0	+0⅛	10.25
U. Bk. Nrwy. 9½ 90 EUA	18	98¾	100	0	+0⅛	9.59
Algemene Bk. 8¾ 84 Fl	75	96½	97	+0⅛	0	9.23
Algemene Bk. 10¾ 87 Fl	400	100⅞	101⅜	+0⅛	−0⅞	10.01
Bk. Mees & H. 10 86 Fl	75	100⅜	100⅞	+0⅛	−0⅛	9.90
Heineken NV 10 87 Fl	75	101	101½	+0⅛	0	8.74
Ned. Gasunie 8¾ 84 Fl	50	100⅛	100⅝	+0⅛	−0⅛	8.58
Norway 8¾ 84 Fl	100	96⅞	97⅜	0	+0⅛	9.10
Philips Lamps 8¾ 84 Fl	75	96⅞	97⅜	0	−0⅛	8.32
Air France 11 84 FFr	120	96⅞	97⅜	0	0	11.99
CECA 14⅛ 86 FFr	150	105⅜	105⅞	0	−0⅛	12.59
Euratom 9¾ 87 FFr	150	85⅜	85⅞	+0⅛	+0⅛	12.98
Finland 11 84 FFr	80	95⅜	96⅛	0	−0⅛	12.29
Finland 11½ 89 FFr	70	93⅞	94⅜	0	+0⅛	12.64
Gaz de France 11 84 FFr	150	95⅜	96⅛	0	−0⅛	12.35
IBM France 11⅞ 84 FFr	120	97⅞	98⅜	0	−0⅛	12.56
Renault 9¾ 85 FFr	100	87⅜	88⅛	0	0	13.25
Saint-Gobain 9¾ 86 FFr	130	86⅜	87⅜	0	+0⅛	13.10
Solvay et Cie 9¾ 87 FFr	125	85	86	0	+0⅛	13.10
Beneficial Fin. 14⅛ 90 £	20	99⅝	100⅛	+0½	−0½	14.22
Citicorp O/S 13½ 90 £	50	99¾	100⅛	+0⅛	−0⅛	13.51
EIB 11½ 91 £	25	91⅞	92⅜	+1⅛	−0⅛	12.87
Fin. for Ind. 12½ 89 £	30	96½	97¼	+0⅛	−0⅛	13.10
Fin. for Ind. 14½ 88 £	20	103⅞	104⅛	+0⅛	0	13.63
Gen. Elec. Co. 12½ 89 £	50	98⅜	99⅛	+0⅛	+0⅛	12.71
Swed. Ex. Cr. 15⅛ 85 £	20	103⅞	104⅜	+0⅛	−1	14.04
Banobras 8¾ 90 KD	7	†95⅛	95⅞	0	−0⅛	8.97
CCCE 8⅛ 91 KD	10	†93⅞	94⅜	0	+0⅛	8.99
Mitsubishi 7½ 84 KD	10	†94⅛	95	0	0	9.17
Sonatrach 8½ 90 KD	12	†94⅜	95⅛	0	+0⅛	9.31
Akzo 9¾ 87 LuxFr	500	95⅛	96⅛	+0⅛	+0⅛	10.07
Euratom 8 87 LuxFr	500	89½	90½	0	−0⅛	10.13
Euratom 9¾ 88 LuxFr	500	98⅜	99⅛	0	+0⅛	8.86
EIB 9¾ 88 LuxFr	600	98⅜	99⅛	0	+0⅛	9.92
Volvo 9¾ 87 LuxFr	500	96⅛	97⅛	−0⅛	0	10.36

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¾ 87	0⅛	99⅜	98⅞	2/1	10.44	10.58
Bank of Ireland 5¾ 89	‡0¼	97⅝	98⅛	21/8	11.81	12.07
Bank of Tokyo 5¾ 89	‡0¼	96½	97	25/10	19.56	17.12
Barclays O/S Inv. 5 90	0¼	97⅛	97⅝	13/12	9⅞	9.88
Bergen Bk. A/S 8 88	‡0¼	96⅜	97⅛	29/8	10	10.32
Bilbao Int. NV 5¾ 90	0¼	96⅞	97⅛	28/11	10.06	10.37
Citicorp O/S F. 83	§‡0	98	99½	23/8	10.19	10.25
Citicorp O/S F. 94	‡0	98⅜	99½	30/7	0.69	9.80
C. Itoh 5¾ 87	0⅛	99	99½	18/9	19.44	19.58
Co-operative Bk. 6 86	0⅛	98	98½	15/11	11.44	11.64
Creditanstalt 5½ 81	§‡0¼	97	97½	14/9	9.44	9.70
CNT 5¼ 86	§0⅛	100⅛	100⅝	16/10	18⅛	18.06
GZB 5½ 89	‡0¼	97⅝	98⅛	1/11	9.81	10.03
Jugobanka 8 89	0⅞	90⅝	92⅛	23/11	11⅝	12.74
Ind. Bank Japan 5¾ 87	0⅛	99⅜	99⅞	15/10	19¼	18.82
Lloyds Eurofin 8 90 £	0⅛	97	97½	3/1	15¾	19.20
LTCB Japan 5¾ 86	0⅛	98	98½	13/12	9⅝	9.90
LTCB Japan 5½ 89	0⅛	97⅞	98⅜	7/12	10⅛	10.32
Mfrs. Han. O/S 5¾ 94	‡0⅛	97⅛	97⅝	31/8	9⅞	10.14
Midland Intl. Fin. 5 89	0⅛	97⅞	98⅜	20/12	9½	9.68
Midland Intl. Fin. 5¾ 92	0⅛	98⅜	98⅞	5/12	10⅞	11.05
Nacional Fin. 6¾ 88	0⅛	97⅛	98	25/1	8.69	9.91
Nat West. 5¼ 84	§0⅛	99⅛	99⅝	11/10	18⅛	18.72
Nippon Credit 6½ 86	0½	97½	98	12/1	0.56	0.78
Nippon Credit 5¾ 87	‡0⅛	97⅞	98⅛	6/11	10⅞	11.08
Royal Bk. Scot. 5¾ 94	§‡0⅛	97⅞	98⅜	11/10	9.31	9.49
Soc. C. de Bque. 6½ 87	0⅛	99⅜	100⅛	3/10	20.06	20.09
Standard Chart. 5⅛ 90	0⅛	98⅞	99⅜	5/9	17¾	17.40
Svenska Hndlsbk. 5 87	0¼	98⅜	98⅞	15/1	10	10.14
Sweden 8¾ 91	‡0⅛	96	96½	18/10	18⅜	19.35
Williams & Glyn 5¾ 01	0⅛	98⅜	98⅞	14/8	18½	18.78
Bq. E. d'Alg. 4¾ 89 SF	0⅛	90	90⅝	18/12	6⅛	9.78

Average price changes .. On day 0 on week −0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¾ 98	10/79	145	†118	119	+0⅛	−8.65
Ajinomoto 7¾ 95	2/80	615.6	108⅞	109⅞	+0⅛	−2.35
Alco Int. Fin. 9½ 94	1/80	40	95½	96⅛	+0⅛	28.07
Apache P. Fin. 8¾ 95	12/80	21.12	108	110	0	−4.57
Asahi Optical 7 94	11/79	526.1	96⅛	97⅛	−0⅛	0.60
Blocker Energy 8¾ 95	1/81	21.87	95⅛	96⅛	+0⅛	15.51
Canon 6¾ 94	8/79	570	104⅛	105½	−0⅛	0.15
Credit Suisse 4¾ 93	10/79	1278	105⅜	107⅛	−0⅛	−2.20
Daiei Inc. 6½ 94	11/79	927.3	97⅝	98⅝	+0⅛	24.79
DOKK 11 90	4/80	324	105⅜	106⅜	+0⅛	13.17
Dynelectron 9½ 95	8/80	12.22	107	108½	0	3.27
Enserch Fin. 9½ 94	7/80	30.25	119	120⅛	+0⅛	1.96
Maidensha Elec. 7 94	12/79	210	98½	100	0	13.20
Mitsubishi Cp. 6½ 94	10/79	549.1	118⅜	120⅛	0	2.03
Nippon Seiko 7¾ 94	12/78	339	†105⅛	106⅛	0	0.33
Toshiba Cpn. 7¾ 84	10/79	198	98⅞	99⅞	+0⅛	5.62
Union Bk. Switz. 5 89	2/80	121.4	98⅜	99⅜	0	2.99
Fujitsu 5 94 DM	7/79	475	103½	104½	+1	4.75
Kansai Elec. 4 84 DM	4/79	1210	†87¼	88¼	+0⅛	40.59
Sharp Cpn. 6½ 86 DM	9/80	595	101⅞	102⅞	+0⅛	8.72
Uny Co. 6⅛ 85 DM	11/79	1071	97⅞	98⅝	−0⅛	23.88

BONDTRADE INDEX AND YIELD

	Medium term		Long term	
Aug. 8	92.07	10.12	80.95	11.26
Aug. 1	92.37	9.97	81.95	11.04
High '80	93.58 (18/6)		89.19 (2/1)	
Low '80	86.32 (2/4)		71.54 (29/2)	

EUROBOND TURNOVER (nominal value in $m)

	Cedel	Euroclear
U.S. $ bonds		
Last week	727.4	2,440.8
Previous week	1,155.1	2,023.1
Other bonds		
Last week	606.2	806.2
Previous week	835.5	566.0

* No information available—previous day's price.

† Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Arab Company for Trading Securities SAK; Kredietbank NV; Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bankers Trust International; Bondtrade; Credit Commercial de France (Secs.) London; Citicorp International Bank; Daiwa Europe NV; Deltec Trading Company; Dillon, Read Overseas Corporation; EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nesbitt Thomson; Orion Bank; Salomon Brothers International; Samuel Montagu and Co.; Scandinavian Bank; Strauss Turnbull and Co.; Sumitomo Finance International; S. G. Warburg and Co.; Wood Gundy.

Closing prices on August 8

WORLD STOCK MARKETS

NEW YORK

CANADA

HOLLAND

HONG KONG

JAPAN

ITALY

NORWAY

SWEDEN

SWITZERLAND

FRANCE

AUSTRALIA

SOUTH AFRICA

BRAZIL

TEL AVIV

SINGAPORE

AUSTRIA

BELGIUM/LUXEMBOURG

GERMANY

DENMARK

Financial Rand US$0.83½ (Discount of 36¼%)

Spanish prices, Page 12

Indices

NEW YORK —DOW JONES

	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 1	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
*Industr'ls	954.69	950.94	956.23	928.78	931.06	981.48	954.69 (8/8)	759.16 (21/4)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	70.85	70.94	71.07	71.08	71.50	71.84	78.81 (23/6)	65.87 (28/3)	—	—
Transport	316.17	314.61	311.51	318.47	318.51	311.06	318.17 (8/8)	235.69 (27/3)	314.47 (30/7/80)	12.23 (8/7/32)
Utilities	113.41	106.68	108.90	108.91	109.48	110.45	115.88 (8/7)	96.04 (27/5)	165.30 (20/4/69)	10.52 (28/4/42)
Trading Vol 000's	58,880	61,920	45,860	45,518	41,563	46,440	—	—	—	—

Day's high 965.27 low 942.57

Ind. div. yield %	Aug. 1	July 25	July 18	Year ago (approx)
	5.69	5.76	5.72	5.73

STANDARD AND POORS

	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 1	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	140.26	109.90	137.77	136.75	107.00	107.27	140.20 (8/8)	111.09 (27/7)	159.05 (7/8/80)	3.52 (30/6/32)
§Composite	123.67	126.60	121.55	120.74	120.98	121.21	125.61 (8/8)	98.22 (13/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Aug. 6	July 30	July 23	Year ago (approx)
Ind. div. yield %	4.21	4.79	4.79	5.13
Ind. P/E Ratio	2.19	8.23	8.20	8.21
Long Gov. Bond Yield	10.71	10.57	10.14	8.85

N.Y.S.E. ALL COMMON

Aug. 8	Aug. 7	Aug. 6	Aug. 5	1980 High	1980 Low
70.81	70.80	69.63	69.16	70.81 (8/8)	66.30 (27/3)

Rises and Falls	Aug. 8	Aug. 7	Aug. 6
Issues Traded	1,581	1,913	1,884
Rises	755	1,145	924
Falls	504	460	574
Unchanged	862	308	586
New Highs	—	128	97
New Lows	—	0	3

MONTREAL

	Aug. 8	Aug. 7	Aug. 6	Aug. 5	1980 High	1980 Low
Industrial	397.20	395.43	388.29	388.57	425.88 (29/2)	326.21 (27/3)
Combined	366.93	364.50	360.66	361.28	378.90 (28/2)	296.88 (27/3)
TORONTO Composite	2225.4	2205.1	2178.7	2177.1	2225.4 (8/8)	1702.5 (27/3)

	Aug. 8	Aug. 7	Aug. 6	Aug. 5	1980 High	1980 Low
AUSTRALIA						
Sydney All Ord. (1956:59)	959.97	951.72	929.54	919.88	947.47 (14/2)	760.60 (2/1)
Metals & Mins (1958:59)	5955.91	5855.44	5854.44	5762.18	6888.95 (14/2)	4551.26 (28/3)
AUSTRIA						
Credit Aktien (2/1/62)	67.75	67.95	68.15	68.31	68.48 (7/7)	68.85 (25/6)
BELGIUM						
Belgian SE (31/12/65)	95.41	94.85	94.63	94.78	105.75 (11/2)	90.14 (31/3)
DENMARK						
Copenhagen SE (1/1/73)	86.81	85.88	85.29	85.49	86.97 (8/8)	74.73 (6/3)
FRANCE						
CAC General (29/12/61)	100.50	106.9	107.7	107.1	117.8 (22/2)	97.1 (5/1)
Ind Tendance (29/12/78)	113.80	112.7	111.6	110.9	715.63 (5/8)	95.8 (5/1)
GERMANY						
FAZ-Aktien 31/12/58	258.53	235.74	234.99	235.22	238.89 (25/2)	212.73 (25/3)
Commerzbank (Dec. 1953)	744.90	741.1	708.5	709.9	749.2 (25/2)	667.9 (27/3)
HOLLAND						
ANP-CBS General (1970)	87.7	80.8	80.0	00.4	88.0 (25/7)	74.0 (27/3)
ANP-CBS Indust. (1970)	67.8	39.5	66.1	66.6	68.2 (11/1)	68.2 (28/3)
HONG KONG						
Hang Seng Bank (31/7/64)	1129.48	1140.29	1142.92	1120.56	1189.74 (30/7)	738.6 (19/3)
ITALY						
Banca Comm. Ital (1972)	115.00	115.09	179.34	114.96	119.04 (8/8)	85.11 (2/1)
JAPAN						
Dow Average (16/5/49)	6771.92	6739.89	6789.97	6760.85	6904.81 (25/6)	6475.98 (27/3)
Tokyo New SE (4/1/68)	467.60	466.81	465.89	466.77	473.55 (23/6)	449.81 (10/3)
NORWAY						
Oslo SE (1/1/72)	125.75	124.96	124.67	124.45	144.79 (14/2)	110.12 (29/3)
SINGAPORE						
Straits Times (1966)	580.09	582.06	577.68	572.29	582.98 (31/7)	429.75 (5/1)
SOUTH AFRICA						
Gold (1958)	785.1	774.1	758.5	768.1	785.1 (8/8)	649.5 (2/7)
Industrial (1958)	598.8	583.1	580.8	589.2	598.8 (8/8)	468.3 (2/1)
SPAIN						
Madrid SE (29/12/78)	754.12	105.94	105.75	104.22	134.22 (5/3)	98.76 (13/6)
SWEDEN						
Jacobson & P. (1/7/58)	371.06	575.19	575.30	575.76	388.98 (6/2)	334.72 (17/1)
SWITZERLAND						
SwissBank Co. (31/12/58)	509.5	509.5	509.5	513.5	517.9 (11/2)	276.5 (28/3)
WORLD						
Capital Intl. (1/1/70)	—	147.8	148.5	145.0	148.8 (21/7)	720.3 (27.6)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Sony	1,131,700	10¼	+⅛	Mattel	591,800	11½	—
Pan Am. Air.	1,123,200	5⅞	+⅛	Gt. At. Pac. Tea	578,500	5½	+⅛
Boeing	826,800	37⅝	+⅛	Merrill Lynch	518,900	29¾	+¾
IBM	743,300	65⅝	−½	Mobil	489,600	71¾	−1⅛
Chrysler	535,400	9⅝	−⅛	ATT	466,700	51⅞	—

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APPOINTMENTS

New post at National Freight

Mr. K. H. H. Cook has been appointed to the new position of director of administration of the NATIONAL FREIGHT CORPORATION and will be responsible for administrative and technical services and centralised activities in engineering and purchasing. He was previously NFC's director of technical and overseas affairs. He now relinquishes responsibilities for the Corporation's overseas interests which have been taken over by Mr. E. A. (Ted) Wall, managing director of National Freight Corporation (International). Mr. Wall joins the Corporation's executive committee.

★

COMPACT ACCOUNTING SERVICES, systems and software consultants, have appointed Mr. Tom Blumenau and Mr. Colin Morgan as non-executive directors. Mr. Blumenau was chairman of Silhouette (London) and Mr. Morgan was finance director of Booker Export Services and Finnish Paper and Board Services.

★

Mr. Thomas Jago has been appointed divisional managing director designate of the SMURFIT PAPER AND BOARD division. The division, which is one of the main operating areas of the Jefferson Smurfit Group, incorporates the entire UK and Irish paper mills and waste paper operations.

★

Mr. A. D. Munro has been appointed a director of PERMUTIT-BOBY — PORTALS WATER TREATMENT, with special responsibility for Stella-Meta Filters division.

★

Mr. Howard Franklin has been appointed company secretary of AMPLICON ELECTRONICS. Mr. Peter Wood has been made a director of AMPLICON MICRO SYSTEMS.

★

Mr. Mike Buist and Mr. Allan Ramsay have been appointed to the board of EMI FILM DISTRIBUTORS OVERSEAS. Mr. Buist is director of feature marketing and Mr. Ramsay controls the company's technical department.

★

Mr. J. Casanova has been appointed London representative of BANCO NACIONAL ULTRAMARINO succeeding Mr. L. dos Santos, who will take new responsibilities with Macau branch of the bank.

★

Mr. R. A. Crouch has been appointed a director of HARTLEY COOPER AND CO., insurance brokers.

★

Mr. G. R. Slater has been appointed a director of ASSOCIATED LEISURE SALES, retaining his directorship of Phonographic Hire. Mr. C. A. Colebrook has been appointed a director of Phonographic Hire (North West)—a new company formed to service customers in the north-west from the premises at Winwick Street, Warrington.

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Aug. 13-15	Computer Graphics Exhibition (09274 28211)	Metropole Hotel, Brighton
Aug. 14-15	Ideal Home and Leisure Exhibition (0202 20327)	Newcastle University
Aug. 17-23	British Music Fair (01-855 9201)	Olympia
Aug. 17-20	The Piano and Electronic Organ Trade Fair (01-428 1590)	The Connaught Rooms, London, WC2
Aug. 20-23	Ideal Home and Trade Exhibition (06333 64538)	Leisure Centre, Pontypool
Aug. 20-25	Modern Homes Exhibition (0253 54676)	Guildhall, Preston
Aug. 23-25	Trade and Entertainments Exhibition (0689 36431)	Moat Park, Maidstone
Aug. 23-30	International Motor Cycle Exhibition (0203 27427)	Earls Court
Aug. 31-Sept. 4	Giftware and Fashion Accessories Trade Fair (08333 4371)	Bristol Exhibition Centre
Aug. 31-Sept. 4	International Watch, Jewellery and Silver Trades Fair (01-837 3636)	Earls Court
Sept. 1-4	International Environment and Safety Exhibition and Conference (0727 55574)	Wembley Conference Centre
Sept. 1-5	London Nursing Exhibition and Conference (01-643 8040)	Royal Festival Hall
Sept. 2-5	International Carpet Fair (021-705 6707)	Harrogate
Sept. 7-12	International Hardware Trades Fair (0727 63213)	Olympia
Sept. 9-11	Laboratory '80 (0799 22612)	Grosvenor House, W1
Sept. 9-20	Chelsea Antiques Fair (0727 56069)	Chelsea Town Hall
Sept. 11-19	International Printing Machinery and Allied Trades Exhibition—IPEX (021-705 6707)	National Exhibition Centre, Birmingham

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	Modern Family Exhibition (02013 4450) (until Aug. 17)	Hamburg
Current	National Hardware Show (until Aug. 14)	Chicago
Aug. 19-Sept. 4	International Fisheries Fair	Oslo
	International Exhibition of Agriculture and Food Industry—OMEC	Budapest
		Izmir
Aug. 20-Sept. 20	International Fair	Wellington, New Zealand
Aug. 22-24	Wellington Home Show	Atlanta
Aug. 23-27	World Woodworking Exposition	
Aug. 26-29	Offshore North Sea Technological Conference and Exhibition	Stavanger
Aug. 30-Sept. 3	International Bridge and Structural Engineering Exhibition	Vienna
Sept. 4-9	Jewellery, Gold, Silver, Clocks and Gifts Exhibition —BIJORHCA	Paris
		Paris
Sept. 6-9	International Leather Week (01-439 3964)	Brno
Sept. 10-18	International Engineering Fair (01-278 0281)	Zagreb
Sept. 12-21	International Autumn Fair (01-486 1951)	
Sept. 16-20	International Tunnelling Industries Exhibition and Conference—EUROTUNNEL (0727 63213)	Basle
Sept. 17-26	International Office Equipment Exhibition—SICOB (01-439 3964)	Paris
Sept. 18-Sept. 23	International Exhibition for Automobile, Motor Car Workshop, Service Station and Garage Equipment—AUTOMECHANIKA (01-734 0543)	Frankfurt
Sept. 19-24	International Food Industry and Non-Food Products Exhibition—IKOFA (01-486 1951)	Munich

BUSINESS AND MANAGEMENT CONFERENCES

Current	Compower Training School: Basic COBOL (Cannock 2511) (until Aug. 15)	Cannock, Staffs.
Current	Bacie: Overseas Training Officers Programme (01-636 5351) (until Oct. 24)	Oxford
Current	University of Western Ontario: The 1980 International Symposium on Solar Energy Utilization (until Aug. 24)	Ontario, Canada
Aug. 11-15	CCC: Practical Introduction to UK Business Law (01-222 6362)	Trinity Hall, Cambridge
Aug. 11-12	MSS: Principles of Work Study and Incentive Schemes (0903 34755)	Worthing
Aug. 11-22	CEI: International Financial Management Seminar	Geneva
Aug. 18-19	The British Institute of International and Comparative Law: Multinational Corporations and the International Law Standard (01-636 5802)	Royal Garden Hotel, W8
Aug. 26-28	FT Conference: Aerospace into the Eighties and Beyond (01-621 1355)	Royal Lancaster Hotel, W2
Aug. 28-29	BIM: Rapid and Efficient Reading (01-405 3456)	Parker Street, WC2
Sept. 1-3	Brunel Institute of Organisation and Social Studies: Understanding Production for non-production managers (0895 56461)	Uxbridge
Sept. 3	Cyril Aydon Associates: Current Cost Accounting—the New Standard (seminar for financial specialists only—Banbury 720124)	Stratford-on-Avon
Sept. 4-5	FT Conference: The new Sri Lanka—Opportunities for Business (01-621 1355)	Colombo
Sept. 7-12	European Marketing Association: Marketing Management (021 742 4141)	University of Birmingham
Sept. 8-12	IPM: The Work of the Personnel Department (01-387 2844)	Embassy Hotel, W2
Sept. 10-12	BCPA: Complete Course for Personnel Officers (01-405 1023)	Southampton Row, WC1
Sept. 15-16	FT Conference: Developing the Annual Company Report (01-621 1355)	Savoy Hotel, WC1
Sept. 16	The Henley Centre for Forecasting: The Demanding Consumer of the '80's (01-353 9961)	London Press Centre
Sept. 17	IPS: Successful Trading in Commodities, Money and Foreign Exchange (0990 23711)	Great Western Royal Hot., W2
Sept. 22-26	IPM: Methods in Interpersonal Skills Training (029383 344)	Horsham, Sussex
Sept. 24	ESC: The Profitable Exploitation of Microprocessors in Instrumentation and Control (057282 2711)	Gloucester Hotel, SW7
Sept. 25-26	AMR International: Its about time management (01-262 2732)	Portman Hotel, W1

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TODAY

COMPANY MEETINGS—
Avenue Close, Winchester House, 77, London Wall, EC, 12.00
Renmore, Atlantic Tower Hotel, Liverpool, 12.00

BOARD MEETINGS—
Finals:
Gold Fields Property
Hallite
Howard Shuttering
Property Sec. and Inv. Tst.
Interims:
Broadstone Inv. Tst.
Caraben
Manchester Ship Canal
Murray Western Inv. Tst.
Nottingham Mfg.
Transport Dev.

DIVIDEND & INTEREST PAYMENTS—
Archimedes Inv. Tst. Income 2p
Avenue Close 1.88Tp
Charterhouse Japhet Intnl. Finance Gtd. Floating Rate Notes 1985 US$75.20
Ferguson Industrial 3.3p
Guinness (Arthur) Ord. Units 1.5T2p. Lns. 2% 5pc
Lloyd (F. H.) 2.8p
Raeburn Inv. Tst. Ord. Units 2p
Stanhope General Inv. 2.2p

TOMORROW

COMPANY MEETINGS—
Baileys of Yorkshire, George Hotel, Huddersfield, West Yorkshire 12.00
Cohen (A.), 8, Waterloo Place, SW, 12.00
Racal Electronics, Connaught Rooms, Gt. Queen St., WC 11.42
Triefus, Thavies Inn House, 4, Holborn Circus, EC, 2.50
Walker and Staff, Walker House, Boundary St., Shoreditch E, 12.30

BOARD MEETINGS—
Finals:
Abwood Machine Tools
Glossop (W. and J.)
Gro. Investors
Letraset
Rosgill
Interims:
Commercial Union
Mercantile Inv. Tst.

DIVIDEND & INTEREST PAYMENTS—
Chloride 2.3p. 8pcPf. 2.1pc
Reed Intnl. 9p
Renold 3.2p
Triefus 2p
UKO Intnl. 8.48p
Whitecroft 3.2p. 4.1pcPf 2.02pc

WEDNESDAY, AUGUST 12

COMPANY MEETINGS—
Chubb, Hyde Park Hotel, Knightsbridge, SW, 12.00
ERF, Crewe Arms Hotel, Crewe, 3.00
LCP, Pensnett Trading Centre, Brierley Hill, West Midlands, 12.00
Mercury Secs., 30, Gresham St., EC, 12.00
Victoria Carpets, Green St., Kidderminster, 5.00

BOARD MEETINGS—
Finals:
AGB Research
Imry Property
New Witwatersrand Gold Explrn.
Webb (Joseph)
Interims:
Bridgewater Ests.
Britannic Assurance
Carrington Viyella
Dreamland Elec. Appliances
Gen. Accident Fire and Life Assurance
Horizon Travel
Securicor
Security Services
Woolworth (F. W.)

DIVIDEND & INTEREST PAYMENTS—
ERF 2.1p
Great Northern Inv. Tst. 2p
M and G European and Gen. Fund Units 0.833p
Marsh and Mclennan Inc. 90cts
Mercury Securities 8.8p
Merrill Lynch 28cts
Pooler-Hattersley 2.2p
Racal Electronics 2.0T2p
Standard Chartered Bank Floating Rate Cap. Notes 1990 US$74.27
Winterbottom Tst. 3.2p

THURSDAY, AUGUST 14

COMPANY MEETINGS—
British Benzol Carbonising, Great Eastern Hotel, Liverpool St., EC, 12.20
Castings, Berron's Court Hotel, Lichfield Rd., Rushall, West Midlands, 2.12
Greene, King, The Theatre Royal, Westgate St., Bury St. Edmunds, Suffolk, 12.00

BOARD MEETINGS—
Finals:
Allen (W. G.)
Carrington Invs.
Malaysia Rubber
Newmark (Louis)
Interims:
Automotive Prods
Ratcliffes (Great Bridge)
Rea Bros.
Stenhouse

DIVIDEND & INTEREST PAYMENTS—
Anglo American Inv. Tst. Pf. 30c
Baker Perkins 4.35p
Benlox 0.5p
Brown and Tawse 5p
Cambridge Water 5.5pc (fmly. 2pc) Cons. Ord. 1.75pc. 4.2pc (fmly. 6pc) Red. Pf. 1978-80 2.1pc. 4.2pc (fmly. 8pc) Red. Pf. 1984-86 2.1pc. 4.55pc (fmly. 8½pc) Red. Pf. 1982-84 2.275pc. 2pc Red. Pf. 1980 4.5pc
Greene, King 3.2p
Jackson (J. and H. B.) 0.75p
Pilkington Brothers 2.5p
Walker and Staff 1.35p

FRIDAY, AUGUST 15

COMPANY MEETINGS—
Beales (John), Peverll Works, Peverll St., Nottingham, 12.00
Davenport Knitwear, Allen House, Newarke St., Leicester, 11.50
Davis (Godfrey), Bushey House, Bushey, Watford, 12.00
May and Hassell, Grand Hotel, Broad St., Bristol, 12.00

BOARD MEETINGS—
Finals:
Gold Fields of South Africa
Phoenix Timber
Pifco
Interims:
Corah
Relaon (PBWS)

DIVIDEND & INTEREST PAYMENTS—
Abbott Laboratories 50cts
Aberdeen Tst. Db. 2lFeb.rpc
African and European Inv. Pf. 5pc
Agricultural Mortgage Corp. 18¼pc Vds. 20/2/81 8⅛pc
Anderson Strathclyde Ln. 5½pc
Ashdown Ins. Tst. 1.8p
BPS Industries 5p
Bank Leumi (UK) 3.15p
Borg Warner Corp. 57½cts
Bristol 13pc Red. 1985 6½pc
Brunswick Corp. 22½cts
Burmah Oil Ln. 3¾pc
Castings 2p
Cattles 1.1p
Chase Manhattan Corp. 70cts
Colgate-Palmolive 27cts
Combined Intnl. Corp. 55cts
Ferranti Ord. Units 4p
Fishguard and Rosslare Railways and Harbours Pf. (3½pc) 1.222pc
Greater London 15⅝pc 8⅝pc 8¼pc 1990-92 3⅝pc
Grootvlei Proprietary Mines 20.22508p
Hnima 0.85p
Jamaica 8pc 1977-82 2pc
Kenya 8pc 1978-82 2½pc
Krung Thai (Cayman) Floating Rate Notes due 1984 US$78.12
LCP 2.5p
Liverpool Daily Post and Echo 2pcPf 1.72pc
Lucas Industries Ln. 3¼pc
M and G Second General Tst. Income Units 3.82p
Marievale Cons. Mines 20.22183p
Nottingham Brick 2p
Olarignum Ord. Units 0.441T1p
Scottish Metropolitan Property 1.25p. Obs. 2½ 5⅛pc. Ln. 4½pc
Sears Ln. 2⅝pc
Shaw Carpets 1.2p
Southwark Corp. 12½pc Red. 1987 8¼pc
Sperry Corp. 44cts
Symonds Engineering 0.2825p
Treasury 5½pc 1979-81 1¾pc 5pc 1982 1¼pc
Warner Communications 25cts
Wheway Watson 0.702p
Wilson (Ambrose) 8½pcPf. 1.828pc
Zapata Corp. 12cts

Nature reserve is extended

THE Nature Conservancy Council has acquired by gift and purchase two areas of chalk downland as extensions to the National Nature Reserve formerly called Wye and Crundale Downs.

The total area of the Reserve is now 327 acres, and will in future be known as Wye National Nature Reserve.

CONTRACTS AND TENDERS

INSURANCE

Pressure to enshrine damage cover in law

OUR compulsory motor insurance laws have stood the test of 50 years with remarkably little change—a fact which redounds to the credit of all concerned in the late 1920s when those laws were drawn up.

British law requires the person who causes or permits the use of a motor vehicle on the road to have insurance in respect of claims for death or injury for which he may be held legally liable arising out of that use. Nowadays this insurance applies for the benefit of passenger victims just as much as for other road users.

Behind the compulsory insurance laws stands the Motor Insurers Bureau, supported by the whole motor insurance market, companies and Lloyd's underwriters. The MIB ensures that the road accident victim gets compensation when the wrongdoer's vehicle is uninsured, or where the wrongdoer is unknown and untraced.

The compulsory insurance laws do not require the motorist to have damage liability insurance—though in practice, in 99.99 per cent of the policies issued in this country, damage liability insurance is provided. So for 50 years compulsory damage liability insurance has seemed unnecessary.

But pressures are mounting for insurers to submit to compulsion and these pressures come not primarily from the Department of Transport but from the EEC.

Britain must conform, it is said, change its voluntary insurance practice to bring it in line with that of other EEC members, and motor insurers must be deprived of the right in the extreme case of providing injury liability cover only.

Not that this right is worth very much, nor will its loss cause motor insurers to sleep more uneasily. But insurers are reluctant to admit such a change, because compulsory damage liability insurance must pose difficult questions for the motor insurance market if not immediately, certainly in the longer term, over the extension of the Motor Insurers Bureau's obligations.

There is logic in the argument that if the injured victim of an uninsured motorist is entitled to compensation from the central fund, so should the damage victim, once damage liability insurance is made compulsory.

Likewise there is logic in the argument that if the injury victim of an untraced motorist can get compensation, the damage victim should also.

It is these logical arguments that worry insurers—and should worry the millions of premium-paying motorists because these arguments would decree that the motorist, who parks his car and finds it on his return damaged by an unknown vehicle, has a claim for that damage against the bureau's funds.

But those funds and the costs of administering those funds come from levies on motor insurers' premium income — in other words, out of the pockets of the motor-insuring public. Compulsory damage insurance backed by MIB obligations would undoubtedly cost us all a lot more in annual premiums.

But it seems that there is some half-way resting point. The probability is that Government and insurers will eventually bow to cross-Channel pressures for the introduction of compulsory damage liability insurance.

But the equal probability is that when this happens, insurers will refuse to extend the MIB's obligations. For it is one thing to change the name of the game, for the sake of EEC harmony—it is another to add extra rules at the cost of the market and the insuring public.

EEC grant for GLC programme

THE EEC Social Fund has made a £5,000 grant to the Greater London Council's London Industrial Centre and the London Enterprise Agency for their experimental small businesses programme.

The programme is a joint public-private sector initiative aimed at stimulating the development of small businesses, with particular attention paid to the needs of those entering business on their own account for the first time.

Sharp rise in profits at South African steel group

BY BERNARD SIMON IN JOHANNESBURG

HIGHVELD STEEL, South Africa's largest private steel and vanadium producer, has reported a 61 per cent rise in pre-tax profits for the year ended June 30. Taxed profits for the year totalled R43.9m ($57.76m) compared to R27.3m in 1979.

The final dividend has been raised from 14 cents to 20 cents bringing the total pay-out for the year to 29 cents. The company switched to the last-in first-out method of stock valuation this year.

Highveld, which is controlled by Anglo-American Corporation has benefited from a strong upturn in domestic steel sales which are generally more profitable than exports. South Africa's steel prices are controlled by the Government and there have been several substantial price increases over the past few years.

Ferroalloy and vanadium exports were cut in the second half of Highveld's financial year after a drop in foreign demand. In addition, a sharp appreciation of the rand, which has risen by almost 10 per cent against the U.S. dollar this year, has dented the competitiveness of South African exports.

Mr. Leslie Boyd, Highveld's managing director, said that profitability should be maintained this year. A 12 per cent increase in domestic steel prices came into effect last month and demand remains strong.

Amoy directors agree to offer

BY OUR FINANCIAL STAFF

THE DIRECTORS of Amoy Canning Corporation (Hong Kong) are to recommend shareholders to accept the terms of an offer by Hang Lung Development Company, through its subsidiary, Prosperland Housing, to pay HK$9.65 per share in cash, which valued the company at HK$480m (US$96.97m).

The decision follows an independent valuation of the company by Jones Lang Wootton and the advice of Schroders and Chartered after Sime Darby, the Malaysian multinational conglomerate, agreed on July 18 to sell its 63 per cent stake in Amoy for HK$304m. That offer was extended to other Amoy shareholders.

Amoy has interests in the manufacture of packaging, foods and beverages. In September, the directors of Amoy indicated that Amoy's net assets per share as at June 30, 1979, were in excess of HK$6.26 per share, which compared with a book net assets value per share at the same date of HK$4.57.

In a statement issued over the weekend the directors of Amoy said that the valuation showed that the group's properties were worth HK$226.2m, representing a surplus over the book value at June 30, 1980 of HK$120.3m.

Jones Lang Wootton also estimated that the value of Amoy's additional consideration receivable in respect of the property at Ngau Chi Wan, Kowloon, sold in 1977, brought the consolidated net assets of Amoy to HK$498.3m, representing net assets per share of HK$9.97 per share.

The statement added that in the light of the property valuation the Amoy directors unanimously consider the terms of the proposals to be fair and reasonable.

Slower growth at Procter and Gamble

By Ian Hargreaves in New York

PROCTER AND GAMBLE, the leading manufacturer of household products, experienced sluggish earnings growth in the quarter just ended, partly because of the high launch costs of new products.

The Cincinnati-based company reported net profits of $123m in the final quarter which ended in June. This was a 6 per cent increase on the same quarter of 1979. Sales for the quarter were 15 per cent higher at $2.7bn.

For the 1979-80 fiscal year, Procter and Gamble earned $643m on sales of $10.8bn, compared with profits of $577m on sales of $9.3bn the year before.

Mr. Edward Harness, chairman, described the results as encouraging, with new consumer volume records in both domestic and international business. The slowdown in earnings growth, he said, was a result of the recession and "an unprecedented level of new product activity in the U.S."

KLK revalues plantations

By Wong Sulong in Kuala Lumpur

A surplus of 247m ringgit ($114m) has been created by the recent revaluation of estates belonging to Kuala Lumpur Kepong, Malaysia's fourth biggest plantation group. This surplus would be incorporated into its reserves.

KLK said that the Malaysian capital issues committee, which vets all revaluations of publicly-quoted companies, has given its approval to the revaluation. It said that the group's 87,000 acres of plantations are now valued at 392m ringgit.

Disposal by Hutchison

HONG KONG — Hutchison Whampoa, the trading and property conglomerate, said that its 57 per cent-owned subsidiary, Hutchison Boag will sell six subsidiaries and one associate company comprising its entire motor division to Zung Fu, a 75 per cent-owned subsidiary of Jardine Matheson, for an undisclosed cash consideration. Reuter

Record half year results at Bahrain Aluminium

BY OUR FINANCIAL STAFF

BAHRAIN ALUMINIUM (BALCO) made a record profit of $28.83m for the first six months of this year, an increase of 74 per cent on the comparable period of 1979.

BALCO markets the Bahrain and Saudi Governments' 78 per cent share of the Alba smelters production, now running at 126,000 tonnes per year. The minority shareholders, Kaiser Aluminium Bahrain and Breton Investments, handle their own marketing.

The record half-year results was achieved despite some signs of weakness.

PENDING DIVIDENDS

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming board meetings (indicated thus*) have been officially published.

	Date	Announcement last year
Allen Harvey and Ross	Sept. 12	Int. 16.0
*Assoc. Dairies	Aug. 27	Final 4.3
*Automotive Products	Aug. 14	Int. 1.5
BBA	Aug. 30	Int. 0.84
BICC	Sept. 4	Int. 2.75
BSR	Sept. 12	Int. 1.413
Babcock Intl.	Sept. 12	Int. 3.4
*Bank of Scotland	Sept. 29	Int. 7.25
*Barclays Bk	Aug. 21	Int. 8.25
Barton & Sons	Sept. 16	Int. 1.4
Blue Circle	Aug. 30	Int. 3.2
Booker McConnell	Sept. 13	Int. 5.9
Bowater	Sept. 11	Int. 4.25
Brit. Elec. Traction	Sept. 6	Final 5.719
British Petroleum	Sept. 7	Int. due
British Vita	Sept. 18	Int. 2.4
Cadbury Schweppes	Sept. 7	Int. 0.95
Carpets Intl.	Sept. 12	Int. 1.75
*Carrington Viyella	Aug. 13	Int. 0.7
Collins (W.)	Sept. 8	Int. 2.086
*Commercial Union	Aug. 12	Int. 4.9
*Corah	Aug. 15	Int. 1.25
Costain	Sept. 7	Int. 4.0
De Beers	Aug. 21	Int. 20c
Estate Prop. Investment	Aug. 9	Final 2.75
Expanded Metal	Sept. 12	Int. 2.0
Fairclough Constr.	Aug. 28	Int. 1.65
*General Accident	Aug. 13	Int. 5.5
General Mining	Sept. 7	Int. 25 cents
*Gold Fields SA	Aug. 15	Final 155c
*Guardian Royal Exch.	Sept. 3	Int. 5.9
Haworth Ceramic	Sept. 7	Int. 2.23
Hoffnung (S.)	Aug. 22	Final 3.007
HK & Shanghai Bank	Aug. 21	Int. HK$0.24
House of Fraser	Aug. 23	Int. 2.6
*ICI	Aug. 23	Int. 12.9
*IMI	Aug. 26	Int. 1.9
*Johnson Gp. Cleaners	Aug. 20	Int. 1.9
*Kleinwort Benson	Sept. 23	Int. 2.5
*LASMO	Aug. 19	Int. due
*Ladbroke	Aug. 27	Int. 5.7
Laird	Sept. 15	Int. 1.7
Lead Inds.	Sept. 13	Int. 3.7
*Letraset Intl.	Aug. 12	Sec. int. 5.503
*Linfood	Sept. 3	Final 8.75
Lond. Brick	Aug. 22	Int. 1.734
Ldn. Merchant Secs.	Sept. 8	Final 0.665
Morgan Crucible	Sept. 7	Int. 4.5
Northern Eng. Inds.	Sept. 7	Int. 1.25
*Nottingham Mnf.	Aug. 11	Int. 1.0
Nurdin and Peacock	Aug. 29	Int. 1.5
Ocean Trans.	Aug. 21	Int. 4.095
P. and O. Steam Navigation	Sept. 5	Int. 3.0
Ofrex	Sept. 11	Int. 1.4
*Pearl Assur.	Aug. 27	Int. 8.0
Pearson Longman	Sept. 13	Int. 3.75
Pearson (S.)	Sept. 10	Int. 3.75
Phoenix Assce.	Sept. 5	Int. 5.8
Portals	Sept. 7	Int. 4.25
Provident Financial	Sept. 4	Int. 2.2
Prudential Corpn.	Sept. 13	Int. 3.5
Raybeck	Sept. 5	Final 2.87
Reckitt and Colman	Sept. 11	Int. 3.5
Revertex	Sept. 10	Int. 1.7
Rockware	Sept. 12	Int. 2.33
*Royal Dutch	Aug. 21	Int. Fl 5.50
*Royal Insce.	Aug. 12	Int. 2.25
Schroders	Sept. 13	Int. 3.0
*Securicor	Aug. 13	Int. 6.9
*Security Services	Aug. 13	Int. 1.375
*Shell Trans.	Aug. 21	Int. due
Sime Darby	Aug. 27	Final 19 cents
*Slough Estates	Aug. 27	Int. 9.9
Smith and Nephew	Aug. 14	Int. 1.25
Sun Alliance	Sept. 5	Int. 13.5
Tilling (Thomas)	Sept. 12	Int. 3.0
*Transport Dev.	Aug. 11	Int. 1.45
Tricentrol	Aug. 2	Int. 2.2
*Turner and Newall	Sept. 11	Int. 4.5
*UGT	Aug. 13	Final due
Union Cpn.	Aug. 28	Int. 10 cents
Wagon Finance	Aug. 31	Int. 9.625
Weir Group	Sept. 5	Int. 1.863
*Woolworth (F. W.)	Aug. 13	Int. 1.347
Yorkshire Chemicals	Sept. 7	Int. 2.395

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Redbridge 01-478 3020	12¾	½-year	200	5-6

CURRENCIES, MONEY and GOLD

Bad news is good for sterling

BY COLIN MILLHAM

After another week dominated by interest rate movements, sterling finished at its strongest level for years, while the dollar recovered its early losses and the Deutsche Mark had a distinctly soft appearance.

The very confused mid-July UK banking figures left only one clear impression on the foreign exchange market—that Bank of England Minimum Lending Rate is not set to fall again in the near future.

Not long ago 13 per cent was considered a possible level for MLR by the end of the year, but in the London interbank market on Friday four-month money was still trading above 16 per cent, with one year funds at 14½ per cent, compared with 13 per cent a month ago.

On the basis of continuing high interest rates sterling's index against a basket of currencies rose to a 5½ year peak, although the dollar's own recovery meant that the pound did not reach $2.40 again, as it had two weeks before.

The dollar suffered three days of persistent selling following another downturn in U.S. domestic and Eurodollar interest rates, but then picked up as prime rates returned to a uniform 11 per cent—two major banks had been at 10¾ per cent—and Eurodollars firmed. News of a fall in U.S. consumer credit also helped the dollar towards the end of the week.

On the other hand the Deutsche Mark was very weak, as speculation continued of a cut in the Bundesbank discount rate in the next month or so. Although with the Deutsche Mark touching almost a four-year low against sterling, and showing no recovery from its lowly place in the European Monetary System the German authorities may well prefer to wait.

Frankfurt interest rates eased last week, but may tighten again since one of the Bundesbank's sale and repurchase agreements with the banks was unwound on Friday, and tax payments will become heavier later this month. The decline in Paris interest rates has done little to hurt the French franc, which remained the strongest member of the EMS, despite an occasional challenge from the Irish punt.

GOLD

	Aug. 8		Aug. 7	
Gold Bullion (fine ounce)				
Close	$632-635	(£266¼-267¾)	$628-631	(£264¾-266)
Opening	$632-635	(£266¼-267¾)	$634-637	(£267½-268¾)
Morning fixing	$631.25	(£266.463)	$632.50	(£266.911)
Afternoon fixing	$636	(£266.621)	$628.60	(£263.876)
Gold Coins				
Krugerrand	$650-654	(£274½-276½)	$648-650	(£274-276)
Mapleleaf	$646½-640½	(£271¾-273¾)	$643-647	(£271½-273½)
New Sovereigns	$160-161	(£67¼-28¼)	$159¼-160¼	(£67¼-68¼)
King Sovs	$186½-188	(£72½-79½)	$187-189	(£70-66)
Victoria Sovs	$186½-188	(£78½-78½)	$187-189	(£78-80)
French 20s	$160-163		$162-164	
50 pesos Mexico	$781-784		$778-783	
100 Cor. Austria	$616-621		$615½-619½	
$20 Eagles	$751-754		$753-757	
$10 Eagles	—		—	
$5 Eagles	—		—	

OTHER CURRENCIES

Aug. 8	£	$		£ Note Rates
Argentina Peso	4471-4491	1888-1896	Austria	28.75-30.05
Australia Dollar	2.0505-2.0545	0.8650-0.8655	Belgium	67.43-67.25
Brazil Cruzeiro	126.93-127.23	53.68-53.88	Denmark	12.98-13.08
Finland Markka	8.63-8.65	3.6426-3.6665	France	9.79-9.78
Greek Drachma	101.581-104.087	42.75-42.95	Germany	4.22-4.23
Hong Kong Dollar	11.73½-11.75½	4.9490-4.9520	Italy	1950-2060
Iran Rial	n.a.	n.a.	Japan	536-541
Kuwait Dinar (KD)	6.633-6.659	0.2677-0.2678	Netherlands	4.58½-4.61½
Luxembourg Frc.	67.36-67.45	28.41-28.43	Norway	11.47-11.37
Malaysia Dollar	5.0963-5.1090	2.1543-2.1563	Portugal	113-117
New Zealand Dlr.	2.4646-2.4290	1.0220-1.0230	Spain	165½-171¾
Saudi Arab. Riyal	7.84-7.90	3.3136-3.3165	Sweden	9.85-9.05
Singapore Dollar	5.0460-5.0590	2.1090-2.1310	Switzerland	3.88½-3.91½
Sth. African Rand	1.8040-1.8050	0.7605-0.7616	United States	2.32¼-2.37½
U.A.E. Dirham	8.72-8.76	3.6660-3.6910	Yugoslavia	65½-70

Rate given for Argentina is free rate.

THE DOLLAR SPOT AND FORWARD

Aug. 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3650-2.3765	2.3715-2.3725	1.40-1.30c pm	6.83	3.77-3.67 pm	6.27
Ireland†	2.1140-2.1180	2.1140-2.1160	1.20-1.10c pm	6.52	3.25-3.15 pm	9.05
Canada	1.1568-1.1580	1.1574-1.1577	0.05-0.08c dis	-0.67	0.10-0.15dis	-0.43
Nethlnd.	1.9420-1.9445	1.9425-1.9440	0.12-0.02c pm	0.43	0.30-0.20 pm	0.51
Belgium	28.41-28.52	28.41-28.43	4½-6c dis	-2.21	15-18 dis	-2.32
Denmark	5.5140-5.5200	5.5185-5.5200	3.30-3.80ore dis	-7.72	10½-11 dis	-7.79
W. Ger.	1.7820-1.7875	1.7835-1.7846	0.27-0.22pf pm	1.65	0.90-0.85 pm	1.96
Portugal	49.25-49.57	49.47-49.57	15-35c dis	-9.92	40-90 dis	-5.25
Spain	72.15-72.30	72.20-72.25	50-70c dis	-0.97	145-175 dis	-8.86
Italy	841.40-842.40	841.50-841.80	11-12½ lire dis	-16.75	34-36 dis	-16.63
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

THE POUND SPOT AND FORWARD

Aug. 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3650-2.3765	2.3716-2.3725	1.40-1.30c pm	6.83	3.77-3.67 pm	6.27
Canada	2.7330-2.7495	2.7430-2.7440	1.67-1.47c pm	6.65	4.10-4.00 pm	6.90
Nethlnd.	4.59½-4.63½	4.60½-4.61½	3-2c pm	6.51	8½-7½ pm	6.62
Belgium	67.30-67.80	67.35-67.45	27-17c pm	3.92	70-60 pm	3.86
Denmark	13.05-13.13	13.07-13.08	par-1½ore dis	-6.69	4½-6 dis	-1.59
Ireland	1.1165-1.1245	1.1190-1.1200	0.04-0.08p dis	-6.64	0.05-0.10dis	-0.27
W. Ger.	4.22-4.25½	4.23-4.24	3½-2½pf pm	8.50	8½-7½ pm	7.81
Portugal	115.75-117.75	117.25-117.45	30c pm-20 dis	0.51	85 pm-35 dis	6.85
Spain	169.80-171.55	171.00-171.10	10-60c dis	-2.45	100-175 dis	-3.21
Italy	1,991-2,001	1,992-1,993	13¾-19¾ lire dis	-8.86	47-50 dis	-9.74
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 67.75-67.85. Six-month forward dollar 5.85-5.75c pm, 12-month 2.05-7.95c pm.

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 8)

3 months U.S. dollars		6 months U.S. dollars	
bid 10 5/16	offer [illegible]	bid 10 9/16	offer 10 11/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Aug. 8	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14-19	[illegible]	[illegible]
7 days' notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One Year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Long-term Eurodollar two years 11-11⅛ per cent; three years 11⅜-11⅝ per cent; four years 11⅝-11⅞ per cent; five years 12-12¼ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore. The following nominal rates were quoted for London dollar certificates of deposit: one-month 9.55-9.65 per cent; three-months [illegible] per cent; six-months [illegible] per cent; one year 10.10-10.20 per cent.

LONDON MONEY RATES

Aug. 8 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	[illegible]	15-17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days or	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One Year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rate nominally three years 13⅛ per cent; four years 13⅛-13¼ per cent; five years 13⅛-13¼ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills [illegible] per cent; four-month trade bills [illegible] per cent.

Approximate selling rate for one-month Treasury bills [illegible] per cent; two-month [illegible] per cent; three-month [illegible] per cent. Approximate selling rate for one-month bank bills [illegible] per cent; two months [illegible] per cent; three months [illegible] per cent; one-month trade bills [illegible] per cent; two-months [illegible] per cent; and three-months [illegible] per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16½ per cent from August 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 14.9564 per cent.

BASE LENDING RATES

A.B.N. Bank	16 %	■ Hambros Bank	16 %
Allied Irish Bank	16 %	■ Hill Samuel	§16 %
American Express Bk.	16 %	C. Hoare & Co.	†16 %
Amro Bank	16 %	Hongkong & Shanghai	16 %
Henry Ansbacher	16 %	Industrial Bk. of Scot.	16½ %
A P Bank Ltd.	16 %	Keyser Ullmann	16 %
■ Arbuthnot Latham	16 %	Knowsley & Co. Ltd.	18 %
Associates Cap. Corp.	16 %	Langris Trust Ltd.	16 %
Banco de Bilbao	16 %	Lloyds Bank	16 %
Bank of Credit & Cmce.	16 %	Edward Manson & Co.	17 %
Bank of Cyprus	16 %	Midland Bank	16 %
Bank of N.S.W.	16 %	■ Samuel Montagu	16 %
Banque Belge Ltd.	16 %	■ Morgan Grenfell	16 %
Banque du Rhone et de la Tamise S.A.	16½ %	National Westminster	16 %
Barclays Bank	16 %	Norwich General Trust	16 %
Bremar Holdings Ltd.	17 %	P. S. Refson & Co.	16 %
Brit. Bank of Mid. East	16 %	Rossminster	16 %
■ Brown Shipley	16 %	Ryl. Bk. Canada (Ldn.)	16 %
Canada Perm't Trust	17 %	Schlesinger Limited	16 %
Cayzer Ltd.	16 %	E. S. Schwab	16 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	17 %
■ Charterhouse Japhet	16 %	Standard Chartered	16 %
Choulartons	16 %	Trade Dev. Bank	16 %
C. E. Coates	16 %	Trustee Savings Bank	16 %
Consolidated Credits	16 %	Twentieth Century Bk.	16 %
Co-operative Bank	*16 %	United Bank of Kuwait	16 %
Corinthian Secs.	16 %	Whiteaway Laidlaw	16½ %
The Cyprus Popular Bk.	16 %	Williams & Glyn's	16 %
Duncan Lawrie	16 %	Wintrust Secs. Ltd.	16 %
Eagil Trust	16 %	Yorkshire Bank	16 %
E. T. Trust Limited	15½ %		
First Nat. Fin. Corp.	19 %		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	16 %		
Antony Gibbs	16 %		
Greyhound Guaranty	16 %		
Grindlays Bank	‡16 %		
■ Guinness Mahon	16 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%, 1-month deposits 14¼%.
† 7-day deposits on sums of £10,000 and under 14%, up to £25,000 14¼% and over £25,000 14½%.
‡ Call deposits over £1,000 14%.
§ Demand deposits 14½%.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or	Div.	Times Covered	Gross Yield	P.E. Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	British Home Stores 9% Cnv. Un. '92	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Denmark 13% 2003	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	London & Midland 8% pc Deb. '89-04	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Nutwich 10% Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	South Staff. Water 8¾% Rd. Pf. '85	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sunderl'd & S.ShieldsWtr 8¾% Rd.Prf.1985	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Anderson Strathclyde	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Artbury & Madeley	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Charterhall	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Great. Nicholson	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Coalite	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Dewhurst	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Ferranti	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hazelwood Foods	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Land Securities	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lonrho	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	McKay Secs.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mallinson-Denny	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Polly Peck	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sturla	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Thurgar Bardex	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising two participating preference shares and one ordinary share at R3.50 per unit. † Dealings under special rule.

CURRENCY RATES

Aug. 8	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	[illegible]	[illegible]
U.S. $	10	[illegible]	[illegible]
Canadian $	10.31	[illegible]	[illegible]
Austria Sch	[illegible]	[illegible]	[illegible]
Belgian F	12	[illegible]	[illegible]
Danish K	13	[illegible]	[illegible]
D'mark	7½	[illegible]	[illegible]
Guilder	8	[illegible]	[illegible]
French Fr	[illegible]	[illegible]	[illegible]
Lira	15	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]
Norwgn. Kr.	9	[illegible]	[illegible]
Spanish Pts	8	[illegible]	[illegible]
Swedish Kr.	10	[illegible]	[illegible]
Swiss Fr	3	[illegible]	[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Henderson Admin. (Guernsey) Ltd.
7 New St., St. Peter Port, Guernsey. 0481 26541/2
[illegible]

Henderson Baring Group
[illegible]

Hill-Samuel & Co. (Guernsey) Ltd.
[illegible]

Hill Samuel Invest. Mgmt. Intnl.
[illegible]

N.V. Interbeheer
[illegible]

International Pacific Inv. Mngt. Ltd.
[illegible]

Jardine Fleming & Co. Ltd.
[illegible]

Leopold Joseph & Sons (Guernsey)
[illegible]

Kemp-Gee Management Jersey Ltd.
[illegible]

Keyser Ullmann Ltd.
[illegible]

King & Shaxson Mngrs.
[illegible]

Kleinwort Benson Limited
[illegible]

Lazard Brothers & Co. (Jersey) Ltd.
[illegible]

Lloyds Bk. (C.I.) U/T Mgrs.
[illegible]

Lloyds Bank International, Geneva
[illegible]

M & G Group
[illegible]

Management International Ltd.
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Midland Bank Tst. Corp. (Jersey) Ltd.
[illegible]

Samuel Montagu Ldn. Agents
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[illegible]

Negit S.A.
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N.E.L. International Ltd.
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Pacific Basin Fund
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Phoenix International
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Providence Capital Life Ass. (C.I.)
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Quest Fund Mngmnt. (Jersey) Ltd.
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RBC Investment Managers Limited
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Richmond Life Ass. Ltd.
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Rothschild Asset Mgt. (Bermuda)
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Utd. Intnl. Mngmnt. (C.I.) Ltd.
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S. G. Warburg & Co. Ltd.
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Warburg Invest. Mngt. Jrsy. Ltd.
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CORPORATION LOANS

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1A	10	Aust. 5½pc '81-82	89	29.2	6.30	14.52
1J	1D	Do. 6pc 1981-83	83½	30.4	7.27	12.62
1Ja	1J	N.Z. 7¼pc 1988-92	64¾	2.6	11.31	13.35
15J	15D	Do. 7½pc '83-86	79½	9.40	9.56	12.82
1M	1N	Sth. Africa 9½pc '79-81	94¼	27.3	10.29	16.52
1A	10	S. Rhod. 2½pc Non-Ass.	100	3.66	—	28.94
15Ja	15J	Do. 6pc '78-81 N.-As.	142	12.65	—	29.99

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

Mr.Je.S.D.	Imperial Oil	15⅞	28.2	$1.40	—	3.5
Jan.Ag.J.O.	Inco	930pxd	31.7	72c	—	2.9
F.My.Au.N.	Int. Nat. Gas $1	545p	30.10	$1.00	—	6.9
Mr.Je.S.D.	Massey Ferg.	325p	11.77	—	—	—
—	Place Gas $1	115p	—	—	—	—
June Dec	Rio Algom	12½	26.10	$1.50	—	4.5
M.Je.S.D.	Royal Bk.Can. $2	19½xd	25.7	$2.56	—	5.0
SeDeMrJu	Seagram Co. C$1	23¾	21.5	$US1.10	—	2.1
F.MyAuN.	Tor. Dom. Bk. $1	11¾	27.3	$1.36	—	4.4
J.Ap.Jy.O.	Trans Can. Pipe	900p	26.6	$1.16	—	4.9

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Eastern Rand

[illegible]

Far West Rand

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O.F.S.

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NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- • Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ф Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- 0 No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	32	......			
Bertam	16	......	Conv. 9% '80/82	£91¾	......
Bdg'wtr. Est. 50p	447	−1	Nat. 9¾% 84/89	£79¾	+¼
Clover Croft	60	......	Fin. 13% 97/02	£94¾	+⅛
Craig & Rose £1	£11	......	Alliance Gas	48	......
Fife Forge	32½	......	Arnott	200	......
Finlay Pkg. 5p	19	......	Carroll (P.J.)	64	......
Graig Ship. £1	£13½xd	−½	Clondalkin	120	......
Higsons Brew.	75	......	Concrete Prods.	75	......
Holt (Jos) 25p	252	+2	Helton (Hldgs.)	27	......
I.O.M. Stm. £1	185	......	Ins. Corp.	275	+15
Pearce (C. H.)	465	......	Irish Ropes	46	......
Peel Mills	45	......	Jacob	31	......
Sheff. Refrshmt	103xd	......	T.M.G.	83	−2
Sindall (Wm.)	142	......	Unidare	79	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew.	7	I.C.I.	27	Utd. Drapery	6½
BOC Intl.	6	"Imps"	6½	Vickers	12
B.S.R.	4½	I.C.L.	34	Woolworths	5½
Babcock	8	Inveresk	4		
Barclays Bank	34	Ladbroke	15	**Property**	
Beecham	18	Legal & Gen.	15	Brit. Land	7
Blue Circle	25	Lex Service	8	Cap. Counties	9
Boots	16	Lloyds Bank	24	Land Secs.	24
Bowaters	15	"Lofs"	3½	MEPC	17
B.A.T.	20	London Brick	6	Peachey	13
Brown (J.)	6	Lucas Inds.	17	Samuel Props.	12
Burton 'A'	10	"Mams"	14	Town & City	2
Cadburys	5½	Mrks. & Spncr.	8		
Courtaulds	8	Midland Bank	26	**Oils**	
Debenhams	8	N.E.I.	5	Brit. Petroleum	32
Distillers	17	Nat. West. Bank	27	Burmah Oil	20
Dunlop	7½	P & O Dfd.	10	Charterhall	10
Eagle Star	15	Plessey	14	KCA	11
F.N.F.C.	2¾	Racal Elect.	22	Premier	13
Gen. Accident	21	R.H.M.	4½	Shell	35
Gen. Electric	30	Rank Org.	15	Tricentrol	40
Glaxo	18	Reed Intnl.	16	Ultramar	35
Grand Met.	12	Sears	5		
G.U.S. 'A'	34	Tesco	6	**Mines**	
Guardian	23	Thorn	28	Charter Cons.	14
G.K.N.	20	Trust Houses	12	Cons. Gold	40
Hawker Sidd.	15	Tube Invest.	23	Lonrho	8
House of Fraser	15	Unilever	40	Rio T. Zinc	35
		U.D.T.	5½		

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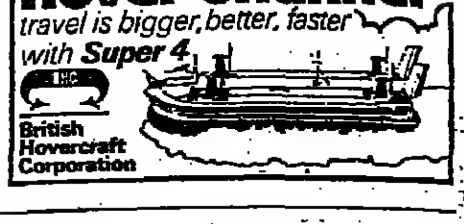
FINANCIAL TIMES
Monday August 11 1980



Laker faces Far East fight

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE BATTLE for the London-Hong Kong air route will intensify on October 6 when the Hong Kong Air Transport Licensing Authority is due to start hearing an application from Laker Airways for permission to fly the route.

Laker has already been given approval by Mr. John Nott, UK Secretary for Trade, to fly the route alongside British Caledonian and Cathay Pacific Airways.

These two airlines, already licensed by the Hong Kong authority, have begun operations. But Laker's original application was rejected by the authority last year and the airline is therefore obliged to apply again.

British Airways, which held the monopoly on the route for many years is fighting the new competition from British Caledonian and Cathay Pacific. It will lodge objections to the Laker bid, as will the other two.

But the Hong Kong Government will also submit its views to the authority as it is legally entitled to do. Although it is not saying what that submission will contain, there is a strong belief that it will favour a Laker licence—provided the airline can make a sound economic case for a fourth operator on the route.

Laker's argument will be that a Skytrain-type very low fare service will particularly benefit younger travellers and the low fare tourist market.

The other three airlines will probably counter-claim that their own cheap fares already cater adequately for such traffic.

British Caledonian, which began flights just over a week ago, says it has already attracted over 26,000 advance bookings up to the end of the year, of which over 11,000 are for travel up to the end of October.

The airline says it is talking to more than 40 UK and Continental tour operators who are anxious to take advantage of the increase in seats on the route to run low priced package holidays to Hong Kong.

British Caledonian's subsidiary hotel company is also studying the possibility of buying or building hotels in Hong Kong to cater for the low fare traffic. At present most hotels in Hong Kong are expensive and it is not likely, in the view of all the airlines on the route, that the holiday traffic will expand significantly until there is enough accommodation available to match the fares they are offering.

Senior officials of the Hong Kong Government have privately made it clear that they were impressed by Mr. Nott's decision to throw the route open to British Caledonian, Cathay and Laker, and have stressed that they welcomed competition on the route.

But they stress equally that the licensing authority is independent, and that it will be up to Laker to prove the validity of its case against the strong objections of the other three airlines.

In the meantime, the stronger competition this summer already appears to be boosting traffic overall.

Approval likely for Iran premier

By Patrick Cockburn in Tehran

MR. MOHAMMED Ali Rajai is almost certain to receive a vote of confidence as Iran's new Prime Minister after being grudgingly nominated by President Abolhassan Bani-Sadr over the weekend.

His nomination is a clear victory for the Islamic Republican party, which has been locked in a fierce struggle with President Bani-Sadr over the choice of Prime Minister for the past four months.

Mr. Rajai, formerly Education Minister, is close to the Islamic Republican party's central committee, and President Bani-Sadr has been at pains to point out that his selection was imposed on him by Parliament. Some deputies argued that the President's letter of nomination should he rejected because of its implied criticisms of Parliament's choice.

Once Mr. Rajai receives a vote of confidence he will move to nominate his own Cabinet. Yesterday he said that three members of the previous Cabinet, all members of the IRP, are likely to retain their posts.

Mr. Sadeq Qotbzadeh, the Foreign Minister and one of the few known figures in the previous Cabinet, has already said that he wanted no new post. He is under investigation by Parliament and is in any case unlikely to receive one.

Since April, when it became clear that the militant Islamic fundamentalists of the IRP had achieved a majority in the newly-elected Parliament, President Bani-Sadr's authority has been continuously eroded.

His efforts to nominate his own Prime Minister in May, and subsequently to find a neutral figure to take the post such as Mr. Hassan Habib, the Higher Education and Culture Minister all foundered in the face of IRP intransigence.

Last month the President vainly nominated a member of the IRP central committee, but this was rejected by Parliament, which wanted a more hardline candidate.

With the nomination of Mr. Rajai they appear to have got most of what they want. Mr. Rajai received 107 out of 155 votes in an informal poll in Parliament last Thursday.

It is not clear how far Mr. Rajai will be able to impose firm central authority on the various centres of power within Iran.

● In Rome 22 Iranian students arrested on Friday after demonstrations in St. Peter's Square were jailed for a second time yesterday when they refused to show their passports.

In Teheran 13 Roman Catholic priests were cleared of allegations they were Israeli spies and homosexual.

Howe anticipates drop in inflation

BY ELINOR GOODMAN AND PETER RIDDELL

THE CHANCELLOR of the Exchequer yesterday prepared the ground for good news on inflation this week as the bad news on unemployment made its biggest dent yet on the Government's standing in the opinion polls.

Interviewed on BBC radio, Sir Geoffrey Howe declined to put a figure on the rate of increase to which the Retail Prices Index will have fallen when the figures are published this Friday.

But he said the Government had been right in predicting a "very substantial drop"—largely reflecting the fact that last year's VAT increase is no longer affecting the year-on-year figure.

Internal Whitehall estimates, prepared before the final compilation of the RPI, suggest that the increase in the 12 months to mid-July may have been between 16.7 per cent and 17 per cent, as against 21 per cent in June.

Yesterday Sir Geoffrey said nothing to dampen expectations of a drop in inflation of around this size. But he gave no hint of an early cut in interest rates and stressed that there would be no let-up in the Government's monetary policies.

The sudden increase in the money supply figures, revealed last week, he said, would lead the Government to "sustain and re-inforce" its policies rather than change them.

Sir Geoffrey also stressed the importance of moderating public sector pay settlements in connection with the long-term outlook for inflation. In the same way, he emphasised the connection between curbing pay increases in both the private and public sectors and reducing unemployment.

Both these points are likely to be made repeatedly over the next few months as Ministers prepare for the next public sector pay round which they regard as fundamental to the success of their economic policies.

Ministers left Westminster on Friday privately acknowledging that by the time Parliament reassembled, unemployment would almost certainly have gone over the 2m mark. They remained uncertain of the effect this would have on the Government's popularity.

An opinion poll published yesterday by the Sunday Times, carried out by MORI, suggested that there had been a big swing against the government—particularly among blue-collar workers—since the announcement of the 1.9m unemployment figure.

According to the poll, Labour now has a lead over the Tories of 10 points, the biggest since last year's election. Dissatisfaction with Mrs. Thatcher has reached its highest level yet of 57 per cent.

Last month, she was rated marginally ahead of Mr. Callaghan as the party leader thought to make the better Prime Minister. But this month Mr. Callaghan is back in front with a 9 per cent lead.

Ministers believe that evidence that their policies are finally beginning to reduce inflation will improve their popularity. The drop in inflation this month is largely due to the absence from the 12-month comparison of the large price rises following the increase in VAT last summer.

But Sir Geoffrey Howe maintained yesterday that other factors were working in the Government's favour. Fewer companies, he said, wanted to put up their prices now than at any time for several years.

The exchange rate was also having a favourable impact. But the most important thing to recognise, he said, was the "case for sensible and moderate pay settlements in public sector."

Cleveland jobs 'lost through regional aid'

BY SUE CAMERON, CHEMICALS CORRESPONDENT

REGIONAL development grants to industry have actively contributed to huge job losses in Cleveland in the North-East of England, according to a report from the Centre for Environmental Studies.

The report, by Dr. David Storey, says Government grants have "subsidised" the efforts of local chemical and metal manufacturers to "become more capital intensive and to trim their labour forces." Yet the "major source" of job losses in the county had been the chemical and metal industries.

Regional development grant payments to companies in Cleveland had been 14 times the average for assisted areas per head of population. Much of the money had gone to the chemical and metal industries which had both undertaken "massive" capital spending programmes.

Imperial Chemical Industries and the British Steel Corporation, in particular, had invested heavily in plant in Cleveland.

Yet between 1965 and 1976, a net total of 15,250 jobs had been lost in Cleveland's chemical and metal manufacturing industries. This cut was partially offset by a net increase in employment opportunities in the engineering and food, drink and tobacco industries. But the county still suffered an overall net loss of 11,337 jobs in manufacturing during the period.

The report shows that more jobs were lost through companies cutting back their labour forces than through all-out plant closures. Only 9,955 jobs were axed because of plant closures, while there was a net loss of 16,704 jobs by companies reducing their workforces.

The report does not condemn the way in which Government grants have helped to reduce job numbers in Cleveland. It argues that if no grants had been paid by the Government, companies might have been encouraged to invest abroad, particularly if attracted by aid from foreign governments.

Failure to invest in modern capital rather than labour intensive plants would also have left "Cleveland's basic industries uncompetitive in world markets and so undermine the security of the remaining jobs in those industries."

The report, which was written for Cleveland County Council, says current prospects for employment in manufacturing in the county are "not promising." It stresses that small businesses, opened by local entrepreneurs, have contributed relatively little new employment opportunities—in 1976 newly-formed companies employed an average of only 16 people each.

But it adds that, in the long term, the "ultimate aim of creating an economy capable of self-sustaining growth, depends upon the development of indigenous firms."

Continued from Page 1

Car prices

spread. Talbot, for example, is providing its dealers with selective extra discounts of between £150 and £350 on some models, leaving its dealers to tailor their own margins.

Similar approaches have been taken at various times this year by, among others, Vauxhall and Ford.

There has been little price-cutting by Japanese car dealerships. The depreciation of the yen has expanded profit margins considerably. With Japanese cars already very competitively priced, and under the political constraints of restricting market share, they have been mostly kept aloof from heavy discounting.

Continued from Page 1

Oil projects

Hutton Field using a tension leg platform—a floating structure anchored to the seabed by vertical mooring lines.

It will be the first field in the world to be developed through such a system, designed for operation in depths of water beyond the capability of existing, fixed-platform technology.

Like Murchison and Tartan, Hutton is a medium-sized field with recoverable reserves of about 250m barrels. It is due to be brought on stream early in 1984 and produce oil at a peak rate of 100,000-115,000 b/d. The field's owners are Conoco, BNOC, British Gas, Amerada Hess, Amoco, Gulf, Mobil and Texas Eastern.

Murchison was discovered in 1973 which means it escapes possible delaying tactics adopted by the Government as part of its newly-announced depletion policy. Mr. Howell said last month that he would consider delaying the development of fields discovered after the end of 1975 to smooth the North Sea production pattern.

He also said he would be stimulating exploration activity to enable companies to find new fields which could maintain oil self-sufficiency in the 1990s. Today, will see the first tangible result of this policy when oil companies submit their applications for the seventh round of licences.

Continued from Page 1

Kennedy

tion of turning his back on the party's platform.

"He may enlarge on it, explain it, but he will run on it."

Earlier Mr. John White, the party's national chairman, suggested that the economic differences between Mr. Carter and Mr. Kennedy lay more in "language" than in substance. In fact, negotiators from the two camps were still hard at it yesterday trying to work out compromises on which Kennedy-favoured issues were to be brought to the full convention floor.

Hollywood strike hits BBC autumn plans

BY ARTHUR SANDLES IN LONDON AND PAUL BETTS IN NEW YORK

BBC autumn television schedule plans are being seriously disturbed by the three-week-old strike of Holywood actors. The strike, which is now worsened by the addition of a musicians' stoppage, is compounding the BBC's difficulties in the wake of its own musicians' dispute and its financial problems.

In the U.S. itself the national television companies are drawing up contingency plans for the autumn schedules, involving reruns of old popular programmes. The three networks, ABC, CBS and NBC, could face substantial advertising revenue losses as advertisers seek to renegotiate rates.

So short of cash is the BBC that it looks to Hollywood for much audience-pulling material. There is little doubt that the series Dallas was to be the linchpin of its autumn programme schedule. Dallas production is now considerably behind schedule, as it works on other projects in which the BBC has shown interest.

Britain's independent television companies produced their autumn plans last month, and included in them very few imported shows. Most of the ITV American material is already made and little of it is scheduled for prime time, at least in the early season.

The American Screen Actors' Guild is striking primarily over the breakdown of pay negotiations. It is seeking a 35 per cent rise for a three-year contract.

However, a much more serious stumbling block in the talks is the question of "residuals"—payments to artists when material is used for pay-television, video cassettes or video-discs.

The strike is biting film production, but is particularly serious for hundreds of television stations around the world which [illegible] colourful and popular shows way beyond the capacity of local financial resources.

The strike, which started on July 20, has halted production of 20 films and 40 prime time television series. It is estimated to be costing the industry some $40m a week, although some of this would be recouped in the inevitable production stampede once the dispute is settled.

Already thousands of other film industry workers have been laid off. At some studios, such as 20th Century Fox and Paramount, office staff have been asked to take their holidays while production is suspended.

There are no signs of a swift end to the strike by the union, which was led for six consecutive terms by the present Republican Party presidential candidate, Mr. Ronald

Only about 10 per cent of the union's 64,000 members normally hold acting jobs at any one time. The Screen Actors' Guild says that 88 per cent of its members earn less than $10,000 a year from show business.

The action has been strengthened by a similar strike by the American Federation of Musicians.

"It affects us to some extent," the BBC said last night. "Dallas is the obvious one. But in the case of programmes such as M.A.S.H. we run some time behind the American stations and so are not immediately affected."

The BBC will probably unveil its autumn plans towards the end of this month, although some details of locally-made light entertainment shows will emerge this week.

Technology may bring curtain down, Page 4

Weather

UK TODAY

Most places will start cloudy with outbreaks of rain, but brighter showery weather will spread quickly: Central and Northern Scotland will stay mostly cloudy with rain during much of the day.

Outlook: Changeable. Rather cool and windy at first.

London, S.E. England, East Anglia, Midlands

Rain at first, becoming brighter but showery. Max. 20C (68F).

E., C.N, N.E. England, Borders, Edinburgh

Rain at times, becoming brighter, wind south-west, strong. Max. 17C (63F).

N. Wales. N.W. England, S.W. Scotland. N. Ireland

Outbreaks of rain, heavy in places, turning showery later. Bright intervals. Max. 17C (63F).

Aberdeen. Central Highlands, N.E. Scotland

Cloudy, outbreaks of rain, heavy in places. Wind strong to gale. Max. 16C (61F).

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	26	79	Jersey	F	19	66
Algiers	S	29	84	L. Plms.	S	27	81
Amsdm.	S	20	68	Lisbon	S	29	84
Athens	S	32	90	Locarno	F	25	77
Barclna.	S	27	81	London	F	22	72
Beirut	S	30	86	Luxmbg.	F	21	70
Belfast	C	18	64	Luxor	S	40	104
Belgrd.	F	27	81	Madrid	S	32	90
Berlin	S	19	66	Majorca	S	29	84
Biarritz	C	22	72	Malaga	S	26	79
Bmghm.	C	19	66	Malta	S	33	91
Blackpl.	C	18	64	M'chstr	C	19	66
Bordx.	F	24	75	Milan	S	28	82
Boulgn.	S	18	64	Moscow	C	21	70
Bristol	C	18	64	Munich	S	24	75
Brussels	F	21	70	Naples	S	29	84
Budpst.	S	23	73	Nwcstl.	C	19	66
Cardiff	C	19	66	Nice	S	25	77
Cas'b'ca	S	24	75	Oporto	S	22	72
Cologne	F	22	72	Oslo	C	18	66
Cpnhgn.	F	18	64	Paris	C	23	73
Corfu	S	32	90	Prague	S	21	70
Dublin	C	16	61	Reykjvk.	R	12	54
Dbrvnk.	S	28	82	Rhodes	S	32	90
Edinbgh	C	16	61	Rome	S	29	84
Faro	S	24	75	Salzbrg.	S	25	77
Florence	S	31	88	Stckhm.	R	11	52
Frankfrt.	F	22	72	Tangier	S	28	82
Funchal	S	24	75	Tel Aviv	S	29	84
Geneva	S	25	77	Tenerife	S	29	84
Gibrltr.	S	24	75	Tunis	S	32	90
Glasgow	C	16	61	Valencia	F	28	82
G'rnsey	F	19	66	Venice	S	29	84
Helsinki	F	17	63	Vienna	S	23	73
Innsbrk.	S	26	79	Warsaw	F	18	64
Invrnes.	F	20	68	Zurich	S	25	77
Istanbul	S	29	84				

C—Cloudy. F—Fair. R—Rain. S—Sunny.

THE LEX COLUMN

Concise financial phrase book

At this time of year the City of London is thronged with foreign visitors whose command of the English language may not be quite complete enough to enable them to understand the peculiar business and financial dialect which is commonly to be heard.

In order to help visitors to get the most out of their stay—whether on business or pleasure—the Lex Column has compiled a phrase-book in which many of the more commonly used dialect phrases or expressions are translated into standard English.

The phrase-book, extracts from which are published below, will assist the discerning visitor from the outset of his journey up to the point when he has spent—or indeed lost—all his money.

On the journey

While speeding to your business destination you can relax and enjoy yourself in our luxurious fuel-efficient, quiet and wide-bodied jetliner.

—You will be flying in a DC-10.

Your luxury hotel is now under completely new management.

—Your hotel has been sold as uneconomic by Thorn EMI.

The ancient traditions of the City are carried on in an environment that is forever changing and being renewed.

—They are still building the NatWest tower.

At the broker's

It is essential to preserve the freedom of operation of the stock market.

—We sold Gold Fields short.

In modern conditions it is necessary to restrain the excesses of a minority of stock market operators.

—We were too slow to sell Gold Fields short.

Performance-orientated funds overexposed to the sector may find it advantageous to normalise their weighting of non-core holdings of this share.

—Sell the shares, but we don't want the company's finance director to realise what we are saying or he will never talk to us again.

* * *

Making a bid

We regard our 29.9 per cent holding as an investment in a company of which we think very highly.

—Our merchant bankers tell us that 29.9 per cent is the biggest stake we can buy without making a full takeover bid.

We have no present intention of making an offer for the remainder of the company.

—It will take us a few days to get the money together for a full bid.

* * *

The chairman talks

The company is well placed to take maximum advantage of any early improvement in business conditions.

—We are crossing our fingers and hoping that things get better.

to make a precise forecast of the full year's outcome.

—We missed last year's forecasts, and I am not going to make the same mistake again.

I am happy to report that all divisions are performing above or in line with budgets.

—We have very unambitious budgets.

We are activating a reorganisation programme to improve our competitiveness.

—We are laying off more employees.

I am happy to say that we now have the facilities available to allow a substantial increase in our level of production.

—We are on a three-day week.

The dividend has been adjusted to a level from which a progressive policy can be resumed in the future.

—The dividend has been cut.

The Board has decided to delay any decision on a dividend recommendation until the full year's results are available.

—The dividend is going to be cut.

Bearing in mind the controversy that continues to surround the question of inflation accounting, the directors feel that in our special circumstances it would be misleading to publish current cost figures.

—The current cost figures are too awful to publish.

Strategic discussions

The Board has reaffirmed the strategy of concentrating the operations of the group in activities which form the mainstream of the business.

—The group is running into financial trouble.

The proposed sale forms part of a series of disposals of subsidiaries peripheral to the major activities of the group.

—This is one of our few saleable assets.

We are pleased to announce that Mr. Jones, formerly managing director, has been appointed to the position of vice-chairman in charge of long-term planning.

—Mr. Jones does not form part of our long-term plans.

Our suppliers welcome this opportunity to make their contribution to the fight against inflation.

—We have told our suppliers that either they tighten their belts or we will source abroad.

The directors believe that it is an appropriate time for the shareholders to invest further in the future growth of the company by subscribing for a rights issue of new ordinary shares.

—The finance director has told the Board that the company has to have a rights issue now, while the shares are still above par.

* * *

At the receiver's

When we manage this company we don't look at profit, we look at cash flow.

—We are making a loss.

The directors know of no reason for the sudden fall in the company's share price.

—The directors know of a very good reason for the sudden fall in the company's share price.

The share listing has been suspended at the company's request pending clarification of the company's financial position.

—The finance director has gone missing.

The group has entered into negotiations with its bankers who are adopting a very constructive approach.

—The banks are working out how much their security is worth.

* * *

Official language

The issue has been fully subscribed and all applications from the public have been allotted in full.

—The issue has been a flop.

The money supply is under control.

—We don't need a rise in interest rates.

The money supply is under reasonable control.

We *do need a rise in interest rates, but the CBI and the building societies would kick up too much of a fuss.*

The measures now announced do not imply any change in the stance of monetary policy and represent only a normal technical smoothing operation.

—We are desperately trying to stop interest rates going up.

These figures do not provide any indication of the underlying change in the money stock.

—We don't know what is going on.

There are no U-turns available.

—We are already going in the wrong direction.

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